

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
December 9, 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, December 9, 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: Financial Consultant Gary Groen, James Kelly, Kenny Nelson, Molly Just, David & Roseanna Garibaldi, and Preston Kroska.

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

5. CONSENT AGENDA

- A. Receive October Fire Relief Association Gambling Report
- B. Approve Council Work Session Minutes of November 25
- C. Approve Council Minutes of November 25
- D. Receive November Building Report
- E. Receive October Lions Club Gambling Report
- F. Approve Hire of David & Roseanna Garibaldi for Seasonal Street Beautification
- G. Approve Renewal of Pawn License for Osseo Pawn
- H. Approve Agreement with Minute Maker Secretarial for 2020 Meetings
- I. Approve WSB Rate Schedule for 2020
- J. Approve 2020 Schedule of Meetings for City Council, EDA & Planning Commission
- K. Approve 2020 Pay Increases for City Staff
- ~~L. Approve Gateway Sign Fee Waiver for Osseo Hoopsters~~
- M. Accept Resignation of Part Time Police Officer Charles Cudd
- N. Approve Hire of Rink Attendants with the addition of Riley Wescott
- O. Receive October Fire Report

City Administrator Riley Grams requested the addition of another rink attendant hire (Riley Wasgatt) to Item 5N.

Schulz requested Item 5L be removed from the Consent Agenda for further discussion.

Stelmach noted several corrections to the Council Minutes from November 25. The first change was on Page 5 noting his comment should be amended removing the word requirement and replacing it with amount. He stated on Page 13 of the minutes he wanted the record to reflect that not all letters and communications received were against the sidewalks.

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

L. Approve Gateway Sign Fee Waiver for Osseo Hoopsters

Schulz explained the Osseo Hoopsters requested a gateway sign fee waiver as they were looking to advertise the Osseo Girls Basketball games in order to have higher attendance at the games. He believed if this was approved a precedent would be set for all other school activities and booster clubs. He did not oppose the school district using the gateway sign, but did not believe it should be free of charge. He encouraged the Osseo Hoopsters speak with a local business in order to cover the minor fee for the gateway sign fee.

Stelmach agreed if the Council were to approve this for one team, the Council would have to approve the use of the gateway sign for all teams. He supported Schulz comments.

Johnson asked if any other organizations from the school have been turned down. City Planner Nancy Abts stated she did not recall receiving any other fee waiver requests from other school organizations.

**A motion was made by Schulz, seconded by Stelmach, to deny the Gateway Sign Fee Waiver for Osseo Hoopsters. The motion carried 5-0.**

6. MATTERS FROM THE FLOOR

Kenny Nelson, 509 3<sup>rd</sup> Avenue NE, commented on the 2020 street project and stated he was not able to attend the November 25 meeting because he had to work. He noted he sent an email to the Council and wished it had been read into the record. He discussed the history of the 2020 street project and expressed concern with how information has been disseminated from the City to residents. He questioned why a neighborhood meeting was held without a feasibility report in place. He stated at this meeting the engineer was not able to answer questions or was side-stepping them because there was no feasibility report. He understood the feasibility report was now live on the City's website. He reported he has spoken to a large number of neighbors over the past few months regarding the 2020 street project. He has learned that many of his neighbors do not know about the project. He commented further on the problems with 3<sup>rd</sup> Avenue

NE noting all of the water shut offs were less than a foot from the curb which would be a problem if a back to curb sidewalk were installed. He anticipated project costs would go up if all of these water shut offs were moved. He indicated he was surprised the City Engineer was recommending the road width be reduced. He did not support the roadway width being reduced. He feared this would adversely impact his neighborhood because cars would not be able to park on both sides of the street and still have two-way traffic on the street. It was his hope the City Council could reconsider the project in order to include the sidewalks but requested the roadway width not be reduced. He stated he did not want his neighborhood to have parking issues in the future.

Preston Kroska, 601 2<sup>nd</sup> Avenue NE, stated he emailed the City Council prior to the meeting. He expressed concern with Item 10B on the agenda. He questioned if the Council was considering lost revenue from permit fees because residents would not be allowed to put small additions on their homes. He understood why the Council was putting the restriction in the place so as not to create additional hard surface on small City lots.

James Kelly, 624 3<sup>rd</sup> Avenue NE, commented on Item 10B and recommended "notwithstanding limitation imposed by other provisions of this chapter" be struck out. He believed this would assist homes that were non-conforming. He discussed the proposed land alternation exceptions regarding water runoff and stated he was still concerned with the sidewalk in front of his home being ADA accessible given the grade of his property.

Mr. Nelson commented he was willing to give up three feet of his front yard to keep the roadway width as is.

7. SPECIAL BUSINESS

A. THANK YOU TO 2019 VOLUNTEERS

Grams thanked all volunteers, elected officials, Commission members, staff members, police and fire professionals, local businesses, and citizens who help to make Osseo a better place to live, work, play, and help give the community that special small-town feel.

B. ACCEPT DONATIONS (Resolution)

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Osseo Lions Club	\$900	Lions Roar
Harold E. & Gayle Johnson	\$400	Beautification/Streetscape <i>(in memory of Helen Evans, Deloris Hurkman, Edward Lynde &amp; Mary Ann Quade)</i>

Staff recommended the Council accept the donations.

**A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2019-71 accepting donations from the Osseo Lions Club and Harold E. & Gayle Johnson. The motion carried 5-0.**

8. PUBLIC HEARINGS

A. CONTINUED 2020 TRUTH IN TAXATION PUBLIC HEARING

Grams stated the City Council opened the Truth in Taxation public hearing on November 25 and allowed for public comments regarding the 2020 preliminary City budget. The Council then motioned to continue the Truth in Taxation public hearing to the December 9 Council meeting.

Grams reported City Hall has received no public comments or questions regarding the proposed 2020 budget since the November 25 meeting. The City Council should seek comments on the preliminary 2020 City budget from those in attendance tonight. Once all comments are received, the Council should motion to close the public hearing

Kenny Nelson, 509 3<sup>rd</sup> Avenue NE, stated the City had his full support for a second police officer at night and commented he would support a third officer in the evenings. He encouraged the Council to consider looking into the Snow Buddies program which was a community sidewalk snow shoveling program out of Ann Arbor, Michigan.

Preston Kroska, 601 2<sup>nd</sup> Avenue NE, reported he had reviewed the numbers and asked if there were any State or County assistance written into the budget.

Schulz encouraged Mr. Kroska to listen to the budget presentation that will be provided by staff under agenda Item 10C. He stated the City does receive Local Government Aid (LGA) each year.

**A motion was made by Hultstrom, seconded by Schulz, to close the Truth In Taxation Public Hearing at 7:44 p.m. The motion carried 5-0.**

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF DECEMBER 9, 2019

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable, approved the 2020 EDA budget, approved public parking signs for the First Avenue Commons parking lot, approved a subordination agreement for a townhouse on 1<sup>st</sup> Avenue NW, and discussed business expansion and retention initiatives for 2020.

**A motion was made by Johnson, seconded by Stelmach, to confirm the EDA actions of December 9, 2019. The motion carried 5-0.**

B. DISCUSS AMENDMENTS TO ZONING ORDINANCE

Abts stated under Minnesota State Statute a City's zoning ordinance should "carry out the policies and goals of the land use plan" (MN Statute 462.357 Subd. 2). As such, all cities that update their land use plans must then follow up with necessary revisions to the zoning ordinance to bring zoning controls into alignment with the goals and policies

of the adopted comprehensive plan. Osseo began this process this summer in coordination with planning consultants from WSB & Associates. It was noted much of the City's Zoning Code has not been updated since 1994. She explained staff was working to improve the codes readability while also making it more user friendly. Staff commented further on the proposed updates to the Zoning Code and requested feedback from the Council.

Molly Just, WSB, stated she has had a great time working with Abts on the Zoning Code updates. She discussed how she had been working with staff to implement the Comprehensive Plan changes into the Zoning Code. She commented on the dimensional standard table within the code and reviewed all of the proposed setback and height requirements.

Schulz asked where the 35-foot building height and 65-foot building height was allowed. Ms. Just reported the 65-foot building height would be allowed for multi-family housing in Osseo. She indicated the 35-foot building height would be allowed in the R-2 zoning district for transitional uses such as churches, educational uses, and assisted living facilities.

Schulz explained the City did not have the resources to update the Zoning Code in the past and appreciated having more experienced staff to work on this project. He stated he had more questions on how this document impacts Osseo going forward into the future. He recommended the Edge Mixed Use zoning district be included in the Zoning Code, especially around the Central Business District. He requested the reference to professional services include language that would allow for health care businesses and body art.

Schulz indicated he was against requiring developers to provide covered bicycle parking. He wanted to allow developers to determine if this was necessary or not.

Stelmach and Johnson agreed.

Further discussion ensued regarding vehicle parking requirements.

Schulz expressed concern with the City having ground based solar and how panels could be abated if pollution or hazardous conditions were to occur. He stated he did not believe these types of systems should be located in residential neighborhoods. He commented he supported geothermal units. He recommended solar panels only be allowed via a conditional use permit or variance.

Hultstrom reported she built a home in 2010 with geothermal heat and noted this required a great deal of property. She did not anticipate this type of system would be applicable in Osseo.

Council consensus was to remove the solar panel language. Abts recommended the Zoning Code have some language to address this use in the event a resident were to approach the City with a request.

Schulz proposed the language within the code restrict ground mounted solar panels rather than promote solar panels. He stated he was not anti-solar, but explained he

wanted to limit eyesores in people's backyards. He suggested the City require an abatement bond for the removal of solar panels after their useful life.

Poppe and Hultstrom agreed the code should be more restrictive.

The Council supported the use of solar panels in commercial districts when properly screened. The Council recommended the language regarding heat pumps and wind energy be omitted from the Zoning Code.

Schulz believed the City should limit the amount of dirt that can be moved on their lot to less than 25 cubic yards and suggested a permit should be required.

Johnson agreed 25 cubic yards was too much. Abts stated she could research this topic further and would report back to the Council.

Schulz commented he did not want to see the City requiring too many trees within new developments. He stated he supported trees and landscaping in Osseo, but feared the proposed requirements could be a roadblock for developers. Abts commented she could research language on how other cities handle this situation. She indicated some cities take cash payments in lieu of landscaping.

Schulz discussed fencing requirements and reported he was concerned about fences be located too close or over property lines. He asked if the \$25 fee was adequate to cover the staff time required to oversee this issue.

Stelmach stated he supported the survey option.

Poppe noted surveys were quite expensive. City Attorney Mary Tietjen stated requiring a survey does not ensure the fence would be installed in the proper location. She anticipated the City would still have to be involved in the placement of fences.

Ms. Just stated she had some great language that could be included in the Zoning Code regarding fences. She agreed that surveys were expensive. The Council supported reviewing this language in further detail.

Schulz questioned how home occupations negatively impacted the neighbors. He stated the City had a noise ordinance to address noise concerns. He explained he promoted home businesses and entrepreneurs. He indicated he did not want to hinder new businesses and recommended the City only restrict the issues that were major concerns.

Schulz commented on the parking requirements. He stated he did not want the requirements to be set in such a manner where the City would be violating its own policy with respect to parking on both sides of the street. Abts reported WSB could review the minimum size parking stalls.

Abts thanked the Council for its feedback on the Zoning Code and stated the earliest staff could have this back for 1<sup>st</sup> reading would be January 13 and noted the 2<sup>nd</sup> reading could be held on January 27. She explained the City had nine months to complete the

revisions on the Zoning Code. Grams commented this would be coming to the Council for discussion at a work session in March of 2020.

Further discussion ensued regarding setbacks for utilities.

C. ADOPT 2020 CITY BUDGET AND TAX LEVY (Resolution)

Grams commented he was pleased to present the 2020 City Budget and Tax Levy for approval. The budget shows a fully balanced budget between expenditures and revenues. Staff reviewed the expenditures and revenues within the 2020 budget in further detail with the Council.

Grams reported in order to fully balance the 2020 budget, the City must levy taxes from all Osseo properties to cover the expected gap in the budget. With expenditures and revenues balanced and proposed at \$2,813,266 for 2020, the anticipated 2020 City Tax Levy amount is \$1,572,578 for the General Fund. The Council has also discussed shifting a total of \$100,000 from utility funds to offset the 2010A refunding bonds (Public Works building) in 2020. This move will reduce the debt service tax levy amount from \$289,241 in 2019 to \$197,445 in 2020. The net result of this budget is that the overall City tax levy will go from \$1,447,575 in 2019 to \$1,480,903 in 2020 (an increase of \$33,328 or 2.30%).

Grams stated by passing the proposed 2020 budget, the City will again lower the tax rate from 60.01% in 2019 to 59.04% in 2020. This represents the lowest City tax rate since 2011, and the seventh consecutive year in which the City has approved a lower tax rate than the previous year. He commented further on the proposed budget and tax levy and recommended approval.

Financial Consultant Gary Groen discussed how the proposed tax levy would impact the median value homeowner in Osseo.

Schulz thanked staff for getting creative and for bringing forward a solid budget for 2020. He explained the City's main source of funding for the Capital Improvement Plan was LGA. He requested staff provide the public with a definition of fiscal disparities. Groen provided the Council with a definition of fiscal disparities.

Schulz stated the only stumbling block he had with the budget was increasing the General Fund Reserve from 45% to 48%. He believed this was being done for no other reason than to put more funds in the City's bank account. He recommended the reserve remain at 45%. Groen explained the reserve requirement was in place to provide the City with cash flow. He reported the City receives 90% of its total revenues from property taxes and LGA. These payments were made in July and December.

Schulz requested the Council support him in lowering the targeted General Fund Reserve from 48% to 45%.

Stelmach commented the City has never been at risk with the General Fund Reserve at 45%, while also receiving high bond rates. He supported the reserve being reduced to 45%, as well.

Johnson questioned the percentage of carryover in 2018. Grams stated he believed the City was around 46% to 47%.

Johnson indicated he would not support lowering the General Fund Reserve to 45%. He wanted to see the percentage set at 48% given the shifts that have occurred within the budget.

Hultstrom agreed with Johnson's comments.

**A motion was made by Johnson, seconded by Hultstrom, to adopt Resolution No. 2019-XX, approving the 2020 City Budget and General Tax Levy as presented.**

Schulz and Stelmach indicated they would not be supporting the motion on the floor.

Poppe commented if the revenues were off even slightly, the City would be taking a dip below 45%.

Schulz explained even if the City went down to 43% this was only \$40,000 and the City could make up that difference. He reiterated the fact that the City was adequately funded in 2018 and 2019 with a 45% General Fund Reserve.

Further discussion ensued regarding the health of the City's utility funds and CIP.

Johnson commented he was concerned with the expense of the Central Avenue repairs that would have to be addressed in 2020.

Schulz reported the Council has not discussed how to fund this project. Groen explained this project would be funded by the CIP and not the General Fund.

Schulz called the question.

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

**A motion was made by Schulz, seconded by Stelmach, to adopt Resolution No. 2019-72 approving the 2020 City Budget and General Tax Levy as amended lowering the General Fund Levy to \$1,539,250.**

Johnson stated he did not support the proposed change but in order to have a united Council he would vote in favor of the motion on the floor.

Schulz challenged other communities to try and match the City's financial performance versus accepting a 5% to 7% levy increase was just the cost of doing business.

Johnson indicated he did not believe this was necessary.

**The motion carried 4-1 (Hultstrom opposed).**

**A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2019-73 Reducing Debt Service Tax Levies for 2020. The motion carried 5-0.**



D. APPROVE HIRE OF DAVID J. JOHNSON FOR FULL-TIME POLICE OFFICER

Police Chief Shane Mikkelson stated Officer Johnson was with the Osseo Police Department from December of 2016 until August of 2018 when he was promoted to part-time officer. He stayed with the department until July 2019 when he left for full-time employment with the St. James Police Department. While he was on field training, he could not be a part of that department. When his field training ended in October, Officer Johnson was re-hired as a part-time Osseo officer on November 25. At that same meeting Mikkelson was granted permission to internally post for a full-time position that would start in January 2020, assuming the position is approved through the 2020 budget. The job was posted internally and the only candidate that applied was Officer David J. Johnson.

Police Chief Mikkelson explained Officer Johnson was backgrounded in July 2018 by the Osseo Police Department and July 2019 by the St. James Police Department. Both backgrounds were successful. Officer Johnson also went through two psychological tests in that same time frame, passing both. Officer Johnson was interviewed in January 2019 by the HR committee for a full-time Police Officer Position at that time. He commented further on Officer Johnson's work history and recommended the hire.

Stelmach stated he was happy that the City could hire Officer Johnson at this time. He believed Officer Johnson would be a good fit for the department and the community.

Schulz agreed.

**A motion was made by Hultstrom, seconded by Stelmach, to approve hiring Officer David J. Johnson as full-time Police Officer with the Police Department. The motion carried 5-0.**

E. CLOSED SESSION – DISCUSS ANNUAL PERFORMANCE EVALUATION OF CITY ADMINISTRATOR

**A motion was made by Schulz, seconded by Hultstrom, to close the City Council meeting pursuant to Minnesota Statutes Section 13D.05, Subd. 3(a), to conduct an Annual Performance Evaluation of the City Administrator. The motion carried 5-0.**

The City Council meeting went into Closed Session at 10:18 p.m.

**A motion was made by Schulz, seconded by Hultstrom, to reconvene the City Council meeting at 10:50 p.m. The motion carried 5-0.**

Mayor Poppe reported a summary of the Closed Session would be given at the City Council meeting on January 13, 2020.

F. APPROVE AMENDED EMPLOYMENT AGREEMENT FOR CITY ADMINISTRATOR

Schulz stated when the City Administrator accepted the position in July 2015, the Council negotiated an Employment Agreement with the Administrator that outlined the position and compensation package. The Council Human Resources Committee has

recently negotiated an amended agreement as a result of City Administrator's performance which provides for the following:

- 1) Updates the Employment Agreement to be consistent with the new 2020 Personnel Policy and Employee Compensation Plan.
- 2) Provides for additional severance benefits.
- 3) Provides for additional employee owned deferred compensation benefits.

Schulz explained the Council HR Committee recommends that the City Council approve the amended Employment Agreement with the City Administrator, which will be effective January 1, 2020.

**A motion was made by Johnson, seconded by Hultstrom, to approve the amended Employment Agreement with the City Administrator as outlined. 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 Schulz, to approve the Accounts Payable as presented. The motion carried 5-0.**

11. ADMINISTRATOR REPORT

Grams thanked the Council for another productive year in 2019. He stated he was proud of the level of service the City of Osseo was providing for its residents. He thanked his staff and consultants for their great work.

Grams stated the Red Cross appreciated all who came out to the blood drive last week and noted 18 units were collected.

Grams wished everyone a safe and happy holiday season.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen stated she was looking forward to working with the City in the new year.

Hultstrom wished everyone Happy Holidays. She reported a resident at 5 Central Apts sent the Council an email requesting the (reverse) safety beeping on the City's snow removal equipment be disabled at night. She noted she forwarded this email to Public Works Director Waldbillig.

Poppe reported this was an OSHA issue and noted the reverse beeping cannot be turned off.

Stelmach wished everyone Happy Holidays and a Happy New Year. He thanked the people for coming out to Minidazzle. He welcomed Officer Johnson back to the Police Department and wished Officer Charles Cudd all the best. He also welcomed the Garibaldis to the City. Stelmach thanked all of the volunteers that served the community throughout the year.

Johnson thanked all of the volunteers that worked to make Minidazzle such a great event. He wished everyone Happy Holidays and a Happy New Year.

Schulz welcomed the rink attendants and thanked them for their service to the City. Schulz agreed 2019 had been a great year and he thanked the Council for their tremendous efforts. Schulz thanked Police Office Manager Felicia Wallgren for her efforts for Minidazzle. He thanked all of the volunteers and donors that made this event possible. He thanked the Osseo Meat Market for the use of its kitchen for preparing food. Schulz wished everyone Happy Holidays and stated he looked forward to 2020.

Poppe thanked the City Council for a great year and stated he looked forward to the great things the Council would accomplish in 2020.

13. ANNOUNCEMENTS

Poppe discussed the City's snow emergency information with the public.

Poppe reported the City was in need of Commission members. Those interested in serving were encouraged to contact City Hall for further information.

Poppe stated City Hall would be closed on December 24 and December 25 in observance of the Christmas holiday. City Hall would also be closed on December 31 and January 1 in observance of the New Year's holiday.

Poppe reported the Hennepin County Library would be open on December 31 from 9 a.m. to 5 p.m.

14. ADJOURNMENT

**A motion was made by Stelmach, seconded by Hultstrom, to adjourn the City Council meeting at 11:10 p.m. The motion carried 3-2 (Schulz and Stelmach opposed).**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*