

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
April 27, 2020**

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, April 27, 2020. Due to the COVID-19 pandemic this meeting was held virtually.

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, Public Works Director Nick Waldbillig, and City Attorney Mary Tietjen.

Others present: Rebecca Kurtz-Ehlers.

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. A roll call vote was taken. The motion carried 5-0.

5. CONSENT AGENDA

- A. Receive 2020 Quarter 1 Donations Report
- B. Approve Hire of Luke Wills for Public Works Part-Time Seasonal Help
- C. Receive EDA Minutes of April 13
- D. Approve Council Minutes of April 13
- E. Receive March Lions Club Gambling Report
- F. Receive March Hockey Association Gambling Report

Hultstrom stated she had a question regarding Item 5B on the Consent Agenda.

A motion was made by Schulz, seconded by Stelmach, to approve the Consent Agenda.

Hultstrom requested further information on what work would be completed by this fourth person in the Public Works Department. Waldbillig explained his workload would be the same in 2020 as it was in 2019. He reported Luke Wills would be mowing and

weed whipping, while also completing semi-skilled labor to keep other full-time employees free to do their skilled maintenance work.

Hultstrom questioned how many hours per week Mr. Wills would be working. Waldbillig reported he would be working the same number as hours as last year, which would be about 30 hours per week.

Schulz asked how many hours an employee had to work per week before the City had to pay benefits. Grams stated this was 32 hours per week.

A roll call vote was taken. The motion carried 5-0.

6. MATTERS FROM THE FLOOR

City Administrator Riley Grams reported a comment was submitted by James Kelly at 624 3rd Avenue NE stating he had concerns with the fees the City was charging on the utility water bills.

Grams explained a comment was submitted by Kenny Nelson at 509 3rd Avenue NE stating he hopes the Mayor and Council were happy with themselves. Mr. Nelson reviewed the comments from the Mayor from back in October, "this was just the first step of a long project and is in no way the final design". Mr. Nelson stated after receiving comments from homeowners for six months the Council did not change the street project plan one bit. Mr. Nelson addressed the expense to build the road at its current width versus shrinking the roadway width and providing a sidewalk. Mr. Nelson stated he did not believe \$60,000 was a wash, and neither was \$400. Mr. Nelson did not appreciate the Council keeping information from him and he no longer trusted the City Council.

Grams indicated a comment was received thanking Councilmembers Johnson and Hultstrom for trying to amend the 2020 Street Improvement Project. This resident appreciated the fact that Johnson and Hultstrom were considering the financial impact of this project given the times. This resident stated they had provided their name and address whenever making a comment at meetings and had seen the Council badger residents until they provide this information. This resident believed all the anonymity that was discussed by Councilmember Stelmach seemed silly. This resident felt there were different rules in place for different members of the community. This resident encouraged the City Council to consider how public comments can be taken from residents for the new virtual meetings.

7. SPECIAL BUSINESS

A. ACCEPT DONATIONS (Resolution)

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Malone Insurance Agency	\$ 100	Beautification
Harold E. & Gayle Johnson	\$ 500	Beautification

(in memory of Eldon Eckert, Victor Giere, Rita Goth, Lynn Olkives, & Grant Simek)

Staff recommended the Council accept the donations.

A motion was made by Hultstrom, seconded by Schulz, to adopt Resolution No. 2020-26 accepting donations from the Malone Insurance Agency and Harold E. & Gayle Johnson. A roll call vote was taken. The motion carried 5-0.

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. CALL FOR 2020 STREET PROJECT AND UTILITY BOND SALE – Rebecca Kurtz, Ehlers (Resolution)

Rebecca Kurtz, Ehlers & Associates, requested the Council approve the sale of \$3,790,000 in General Obligation Bonds for the 2020 Street and Utility project. She reviewed the presale report with the Council and noted this bond sale would include the 2020 street project along with the purchase of financial software, the SCADA communication system, a sewer jetter, a street sweeper, sanitary sewer infrastructure, and water meter replacement. She described how the items would be repaid by the City. It was noted the bonds would have a 21-year term. She discussed how the bonds would be broken down between equipment, software, and utility/infrastructure improvements. She indicated the City had an AA stable rating from Standard & Poors. She recommended the City request a new bond rating from Standard & Poors for this bond issuance. She noted low interest rates were occurring at this time and she would continue to monitor how this would impact the City's bond issuance. She proposed the bonds be sold on Tuesday, May 26, stating this would make funds available on June 15.

Johnson asked why the City was waiting another month to sell the bonds when interest rates were low at this time. Ms. Kurtz stated this was a timing issue and was being driven by the City Council's meeting dates. She indicated the bond sale could be moved up if the Council wanted to hold a special meeting in May.

Johnson questioned if the City would receive a better bond rating than AA. Ms. Kurtz stated she hated to speculate but anticipated the rating would remain at AA. She explained the City would receive more bids if the bond sale were rated and the City were to go through the bond rating process.

Schulz inquired how much the City had received in prepaid assessments. Grams commented he was uncertain of the number but reported the City had received some money in prepaid assessments.

Schulz asked if it would benefit the City to find another way to pay the \$11,000 in interest. Ms. Kurtz reported staff could investigate this further or noted prepaid assessments could be used for the first payment.

Johnson commented he voted against the street project and noted he would be voting against this bond sale, as well.

Hultstrom stated the Council received an email from staff noting the City was working with Representative Bahner to receive State bonding for some of these expenses. She explained the Governor has been very clear that State bonding would be robust and infrastructure projects would be considered. She asked if it would benefit the City to remove an item/items to have this project considered for State bonding. Grams reported when he worked with Representative Bahner on this matter, a very late request was made. He stated as a team staff recommends the bonding move forward and if for some reason Osseo were to receive State bonding, the Council would have to address that situation in the future. He reported the City could not wait on this matter.

Schulz questioned if the City had any updates on the Met Council requests. Grams stated initial conversations have been held with the Met Council and these discussions were positive. He noted the Met Council was looking for more information from staff at this time.

Schulz commented the largest part of the lift station expense served as the head of the force main going out of town for the Met Council. It was his hope this project would be viewed as significant in the eyes of the Met Council.

Grams discussed how the Council and staff were working for taxpayers to leverage additional funds to cover the large infrastructure expenses the City had. He reported staff was busy speaking to local representatives and the Met Council to gain assistance for the needed repairs.

Schulz stated it was also important to note this was consistent with how the City approaches every mill and overlay project. Grams reported this was the case.

Johnson agreed it was important for staff to discuss the dollars and grant opportunities the City was trying to receive. He indicated this would make the residents aware of the attempts that were being made on the resident's behalf.

A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2020-27 providing for the Sale of \$3,790,000 General Obligation Bonds, Series 2020A. A roll call vote was taken. The motion carried 3-2 (Hultstrom and Johnson opposed).

B. APPROVE PURCHASE OF SIPE PARK EQUIPMENT (Twin Community Grant)

Waldbillig stated City Planner Nancy Abts researched and applied for a grant to improve the above listed items for Sipe Park. The City of Osseo was approved and received grant funding in the amount of \$10,950. The City must match 10% of the grant totaling \$1,100. The purchase of bleachers, infield groomer, and infield lime/clay are a partial expenditure of the grant currently. Staff commented on the grant further and recommended approval of improvements at Sipe Park in the amount of \$8,715, with \$1,315 paid out of the Parks CIP.

Hultstrom commented she thought there was a moratorium on this grant.

Johnson reported the City had already received these grant funds. Grams stated this was the case.

Johnson requested clarification on the items that would be purchased. Waldbillig reported the City was proposing to purchase three items at this time: the bleachers, the infield groomer, and an infield pitchers mound. Grams commented the total received by the City was \$10,950 and the City was not ready to purchase all the items at this time.

Hultstrom questioned if the City had funds available in the Parks Improvement Fund to cover the overages. Grams reported the City did have the funds available to cover the park improvements.

A motion was made by Hultstrom, seconded by Schulz, to approve the Sipe Park Improvements in the amount of \$8,715. A roll call vote was taken. The motion carried 5-0.

C. APPROVE TEMPORARY EXTENSION OF RENTAL INSPECTION LICENSES
(Resolution)

Grams stated Osseo Ordinance 151.25 spells out the timeframes for rental licenses. Larger apartment rental licenses are valid from July 1 to June 30 of the following year, and smaller apartments or single-family home rental licenses are valid from October 1 to September 30 of the following year. Typically, the contracted rental inspector would begin scheduling inspections in April and May. However, due to the current COVID-19 pandemic, inspections have been delayed which will no doubt delay the date by which each rental property receives their rental license.

Grams reported after consulting with the City Attorney, the Council could consider the attached resolution which temporarily extends the timeframe by which rental properties need to obtain their rental license. Staff is recommending that large apartments be extended until September 30, 2020, and small apartments and single-family homes be extended until December 31, 2020. The licenses would be valid until the stated date (in the Ordinance) in 2021. Staff is not recommending any fee changes currently.

Schulz stated he does not recall the Council ever receiving a violations report from the rental inspection program. He recommended the Council request such a report be completed on an annual or semi-annual basis.

Johnson and Hultstrom supported this recommendation. Grams recommended the report be completed on an annual basis as this would include the most accurate information.

Johnson asked if the City's inspector would be able to handle the inspection workload after the COVID-19 restrictions are lifted. Grams anticipated this would not be a problem for the City's inspector.

A motion was made by Johnson, seconded by Hultstrom, to adopt Resolution No. 2020-28 granting a temporary extension of all licenses for the rental housing inspection program. A roll call vote was taken. The motion carried 5-0.

D. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

Johnson expressed concern with the fact the City may not receive 100% of the property tax payments at the beginning of June and discussed how this would impact the City's General Fund.

Schulz stated it would be interesting to know what percentage of residents paid their property taxes through an escrow. Grams stated he would speak with the City's finance team to try and obtain this information.

Hultstrom stated she was not aware of the fact that Hennepin County had changed or extended its payment date.

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

11. ADMINISTRATOR REPORT

Grams reported hydrant flushing would begin on Tuesday, April 28. He encouraged residents to run their faucets until they run clear after the flushing occurs.

Grams commented on the street sweeper options that were available to the City. He commented research had been conducted prior to the matter coming before the Council. He noted it would cost less to hire a contractor once but noted in the long run it benefited the City to own a street sweeper.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Mary Tietjen advised the County Board acted to provide penalty relief for property taxpayers who make their May 15 payment by July 15. She indicated escrowed taxes were due by May 15.

Johnson reported his business partner of 40 years, Victor Giere, passed away from the COVID-19 virus. He commented on the other businesses that began in 1958 when he began his business.

Hultstrom explained she had attended several webinars. She noted the LMC Governor webinar was exceptional.

Hultstrom sent her condolences to Johnson on the passing of his friend. She congratulated Mr. and Mrs. Grams for expanding their family. She noted she would become a grandmother in July.

Stelmach welcomed Mr. Wills to the City of Osseo as a seasonal worker. He congratulated Grams on the expansion of his family. He also sent his deepest sympathies to Johnson on the passing of his business partner and friend.

Poppe commented on the success of the We Cares program noting over 15,000 meals have been served to seniors in the last 45 days. He noted the last meals would be delivered on Sunday, May 3. He thanked all the businesses and volunteers who have worked to make this possible. He stated he was proud of this community.

13. ANNOUNCEMENTS

Poppe stated the Vintage Car Show and Craft Fair has been rescheduled to Saturday, September 26.

Poppe reported the City Clean Up Event has been rescheduled to Saturday, October 3.

Poppe indicated all youth recreation programs for the summer of 2020 have been canceled due to COVID-19.

14. ADJOURNMENT

A motion was made by Schulz, seconded by Stelmach, to adjourn the City Council meeting at 8:17 p.m. A roll call vote was taken. The motion carried 4-1 (Schulz opposed).

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial