

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
May 11, 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, May 11, 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 and City Attorney Mary Tietjen.

Others present: Matt Mayer and Gary Groen.

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 Stelmach, to accept the Agenda as presented. A roll call vote was taken. The motion carried 5-0.**

5. CONSENT AGENDA

- A. Approve Work Session Minutes of April 27
- B. Approve Council Minutes of April 27
- C. Approve Revised DOT Policy
- D. Accept Resignation of City Planner Nancy Abts
- E. Receive April Building Report
- F. Receive April Osseo American Legion Gambling Report

**A motion was made by Johnson, seconded by Hultstrom, to approve the Consent Agenda. A roll call vote was taken. The motion carried 5-0.**

6. MATTERS FROM THE FLOOR

City Administrator Riley Grams reported staff had received a comment from Preston Kroska at 601 2<sup>nd</sup> Avenue NE stating he was concerned about the glitch in the system noting his Matters from the Floor comment from the April 27 Council meeting was not read. Mr. Kroska understood the importance of transparency for the City Council and asked if anonymous voices would be heard. Mr. Kroska questioned how the Council

could justify charging residents interest if the City was uncertain the bonding would go through and inquired how long it would take residents to get their money back. Mr. Kroska requested the Council explain Subdivision Item 10A for residents. Mr. Kroska questioned what was in place to ensure the City Council does not go over budget. Mr. Kroska inquired if the City has begun planning to reopen safely.

7. SPECIAL BUSINESS

A. ACCEPT DONATIONS (Resolution)

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Premier Bank	\$5,000	Night to Unite
Harold E. & Gayle Johnson	\$1,000	Beautification
<i>(in memory of Thomas Boos, Barbara Carlson, Doris Groebner, Ann Keefe, Ronald Kish, Patricia Pipkin, Leo Scharber, Mary Lou Shobe, Charles Steffen, &amp; Thomas Tipton)</i>		

Staff recommended the Council accept the donations.

**A motion was made by Stelmach, seconded by Hultstrom, to adopt Resolution No. 2020-29 accepting donations from Premier Bank 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. CONSIDER PROPOSAL FROM WSB FOR SUBDIVISION ORDINANCE ASSISTANCE

Grams stated at the April 27 Council work session the City Council discussed the option of creating a new subdivision ordinance. At that meeting, the Council determined this wasn't an immediate high priority project and that in-house staff should draft the bulk of the ordinance and seek a proposal from WSB to assist at only a high level review before bringing it back to the Council for consideration. The Council was comfortable with a more relaxed timeline for this project noting that Osseo does not see many requests for subdivision. The Council also briefly discussed a secondary update to the current Planned Unit Development (PUD) ordinance. Osseo would tend to see a PUD request over a subdivision request moving forward.

Grams reported after consulting with Molly Just from WSB, a proposal would provide high level review assistance to staff as they draft a subdivision ordinance and review the current PUD ordinance. Staff suggests linking the two ordinance reviews together because there would be some cross over in the ordinances, and this would be a cost-effective way to tackle both ordinances simultaneously. If approved, staff will initiate the ordinance updates as time allows and present the final draft to the Council in the future for consideration. It was noted staff had budgeted for this expense in 2020.

Schulz questioned how much staff had budgeted for this expenses. Grams reported staff had budgeted \$8,000 total for City Code rewrites.

Johnson supported this item being put off until the end of 2020 to allow the Council to better understand how the City's finances are. Grams agreed this item could wait to be worked on until later this year.

Poppe asked if staff was still seeking approval from the Council this evening. Grams indicated he would like to receive Council approval this evening.

Stelmach stated he did not see the value of approving this item now versus later. Grams commented he would like to receive Council approval at this time to have the project in place for the next City Planner/staff member.

Stelmach supported the Council holding off on this item. Grams indicated staff could begin drafting the Ordinance now, but it might be helpful to have the proposal in place to allow staff to contact WSB with any questions that may arise through the process.

Schulz commented this proposal was for \$2,200 which was well within Grams spending authority. He stated he supported approval of the proposal as it would allow the City Administrator and other staff members to work on this project as time allowed.

Stelmach indicated this made a great deal of sense and, for this reason, he would now support the proposal.

Johnson explained this was an estimate on hours and noted the number of hours could change. Grams reported he would be tracking the hours that were spent on this project.

**A motion was made by Hultstrom, seconded by Schulz, to approve the Proposal from WSB for Subdivision and PUD Ordinance Assistance. A roll call vote was taken. The motion carried 5-0.**

**B. APPROVE COMMUNITY MANAGEMENT COORDINATOR POSITION DESCRIPTION**

Grams stated with the recent resignation of City Planner Nancy Abts the City should look to replace the position moving forward. After discussions with Councilmembers, staff recommends creating a position with an eye towards replacing longtime City Clerk LeAnn Larson upon her eventual retirement. This draft position is less heavy with planning related duties and, in its place, would focus on several City Clerk related duties in the next 18-24 months. The idea would be to create a position that does many of the normal day-to-day duties in the office (such as assisting with customer service by phone and in-person), special programming and projects, and day-to-day planning tasks) but would start to learn the ropes of the City Clerk position from Ms. Larson so that a smooth transition could happen upon Ms. Larson's retirement.

Johnson asked what pay grade Nancy Abts was in comparison to the newly proposed position. Grams reported both positions were Pay Grade 9.

Johnson believed that Pay Grade 9 was too high for someone just starting in this position that required a great deal of training. Grams reported Pay Grades were based on the complexity of their duties, the amount of duties, the time required, previous experience or educational requirements, etc. He reported based on the pay grade study that was completed by Springsted for this position, he was recommending the pay remain at Pay Grade 9.

Hultstrom questioned what pay grade the City Clerk position was at. Grams stated the City Clerk was at Pay Grade 9 as well.

**A motion was made by Schulz, seconded by Stelmach, to approve the Community Management Coordinator position description. A roll call vote was taken. The motion carried 4-1 (Johnson opposed).**

C. APPROVE POSTING FOR COMMUNITY MANAGEMENT COORDINATOR POSITION

Grams commented the newly formed Community Management Coordinator position is now open, following the resignation of City Planner Nancy Abts. The Council should approve the posting of the open position to begin the hiring process. The position posting will be open until filled to allow for maximized flexibility in the hiring process. The posting will be located on the League of MN Cities job website, as well as the City's website and social media platforms. As applications are received, City Administrator Riley Grams and City Clerk LeAnn Larson will score the applications. Once we have received several high-quality applications, staff will work with the Council Human Resources Committee to schedule interviews before making a final recommendation to the Council on a candidate at a future Council meeting. Grams said he hoped to have someone hired and starting with the City by July 1 approximately.

Johnson stated he believed Pay Grade 9 was too high of a starting position for the Community Management Coordinator. Grams commented further on the pay grade and step scale that was used by the City.

Hultstrom asked if the HR Committee had any issues with the proposed position and starting pay grade.

Schulz explained he believed the proposed pay grade was an appropriate starting point. He commented he did not want to get the City into a position of pay inequity. He stated he supported the proposed position at the proposed pay grade.

Stelmach stated he did not have any problems with the proposed position and pay grade. He explained he wanted this position to properly align with the pay study that was completed by the City.

**A motion was made by Hultstrom, seconded by Schulz, to approve the posting of the Community Management Coordinator position. A roll call vote was taken. The motion carried 5-0.**

D. APPROVE PROPOSAL FROM WSB FOR TEMPORARY PLANNING ASSISTANCE SERVICES

Grams stated if the Council approves the new Community Management Coordinator position, the slight shift in duties would open a need for some professional planning assistance on a temporary basis (18-24 month timeframe). The City's engineering firm, WSB, offers a wide range of professional planning duties for their client cities. The attached proposal describes the scope of services, including land use application review and processing, recommendations to the Planning Commission and Council, and other staff support as needed. All work would be billed on an hourly basis so that the City Administrator can control the overall cost to the City. WSB proposes the bulk of any billable hours be conducted by the Community Planner position at the lower hourly cost. He explained budget-wise the City would have funding available for this temporary assistance.

Schulz stated with Ms. Abts FMLA request the City had only been compensating her up to 32 hours a week. He noted this position was funded for 40 hours per week, but Ms. Abts has only been working 32 hours per week, which meant the City had additional reserves to assist with compensating these additional fees.

**A motion was made by Hultstrom, seconded by Schulz, to approve the proposal from WSB for supplemental planning services. A roll call vote was taken. The motion carried 5-0.**

E. APPROVE TEMPORARY LIQUOR LICENSE FEE OPTIONS (Resolution)

Grams explained bars and restaurants in Minnesota have been closed since March 17 due to the COVID-19 pandemic. There is no certainty of when these businesses will be open to the public for on sale business. (Off sale liquor businesses were not closed to the public.) The Council and staff have discussed options to assist on sale liquor businesses since they pay an annual fee to the City for licensing of their businesses. [This would be a temporary measure due to the pandemic and would not change the Fee Schedule for these business licenses.] This assistance could be in the form of a rebate to help offset loss while closed to the public. An example might be: if closed for 3 months (i.e. March, April, May or 1/4 of the license year), the rebate would be 25% of what the annual license fee was. Another option is in the form of a reduction (by percentage? or other?) in upcoming license fees for the 2020-2021 licensing period. This reduction could be any amount that the Council decides. Staff commented further on the proposed options and requested direction from the Council on how to proceed.

Stelmach requested further information on what the fees were at this time. Grams reviewed the liquor license fees that were currently being charged by the City for on sale and off sale liquor licenses. He reported the fees being charged helped offset the cost of enforcement, staff time, and for the server training.

Stelmach commented he supported discounting the fees given the fact establishments have been closed for the past two months.

Johnson asked when liquor license holders had to pay the license fee. Grams reported the fee had to be paid prior to the license expiring on June 30, 2020.

Johnson stated he supported offering liquor license holders a refund or offering a credit to the 2020-2021 liquor license.

Stelmach questioned when the City would begin receiving checks for liquor licenses. Grams stated checks were already coming into the City for liquor licenses. He explained several long-term license holders send checks around May 1 of each year.

Stelmach supported offering the businesses a discount in 2020 versus putting this off to 2021.

Schulz discussed how the local bars have been impacted by COVID-19 and he supported waiving fees for the months liquor establishments have had to be closed. He suggested two options be offered to liquor license holders to offer several different discount options. He stated he was not concerned about offering a rebate given the fact these funds were already spent. However, he did support offering liquor license holders a break on the upcoming licensing period given the fact they have been closed for the past two months. He explained he did not want to put businesses in jeopardy. Grams stated he did not know if this could be done. City Attorney Tietjen explained the City could consider reducing the liquor license fee by 50% now and could revisit the issue later this fall to take into consideration when the governor reopens bars and restaurants.

Poppe asked if the City could have on sale liquor license holders pay \$1,500 now (instead of \$6,000) and then the Council could revisit the matter later this fall.

Schulz stated this was what he was proposing. He commented that even if bars can open, they will not be allowed to be at full capacity which would impact revenues. He supported the City giving liquor license holders some relief. He did not support having the liquor license holders paying in full currently and having the City writing out refund checks later.

Stelmach explained he supported the proposal being discussed. Grams summarized the option being discussed by the Council and recommended the Council adopt a fee reduction for 2020-2021 liquor licenses by 50% due to the COVID-19 situation, with the Council further reevaluating the situation in October 2020.

Poppe supported license holders only paying one-quarter of the fee at this time, given this may be a cash flow issue for businesses at this time. He stated after six months the Council can evaluate how much each business should pay. He believed this option would assist businesses that were struggling financially. City Attorney Tietjen commented the Council could proceed in this manner.

Johnson indicated businesses were going to be closed March through June, which was 33% of the year. He supported giving on sale license businesses a \$2,000 credit now. He explained the Council could then reevaluate the liquor license fees in October to see what fees should be paid for the remainder of the license period.

Stelmach stated he could support this recommendation. He suggested the check be sent back to the liquor license holder that had already paid in full.

Hultstrom supported Poppe's recommendation.

Schulz agreed the Council should proceed with Poppe's recommendation and 25% of the normal license fee should be charged at this time for on sale liquor licenses. He indicated this fee would assist the City in covering the administrative expenses of renewing the liquor licenses.

Johnson believed \$2,500 was too much to have bars and restaurants paying.

Poppe commented the proposal would be to have on sale liquor license holders pay \$1,500 in order to renew their license.

Schulz believed the proposed 25% was a fair compromise given the fact staff time and Police Department enforcement would still be required.

**A motion was made by Schulz, seconded by Hultstrom, to direct staff to charge 25% of the 2020-2021 on sale liquor license fees with Council reevaluating fees in December. A roll call vote was taken. The motion carried 4-1 (Johnson opposed).**

F. FY2019 ANNUAL AUDIT REVIEW (Matt Mayer, BerganKDV)

Grams stated Matt Mayer with BerganKDV had a presentation for the Council on the 2019 Audit.

Matt Mayer, BerganKDV, thanked the Council for its time. He reported the State requires cities to undergo an audit each year. He explained this audit provides assurance that the financial statements are fairly presented in all material respects. He thanked staff for all their assistance with the audit. He stated the City received a clean or unmodified opinion, which was the best opinion an auditor can offer. He reviewed the Independent Auditor's Report along with the balance in the General Fund and utility funds. He commended the City on its overall financial strength and asked for comments or questions.

Grams thanked Mr. Mayer and the BerganKDV team for their tremendous efforts. In addition, he thanked City staff for the great work they do on behalf of the City.

Johnson thanked BerganKDV and City staff for their great work on the audit.

Poppe thanked Mr. Mayer, City Accountant April Weller, and Financial Consultant Gary Groen for their efforts to complete the City's audit during the COVID-19 crisis.

**A motion was made by Stelmach, seconded by Johnson, to accept the 2019 Annual Audit from BerganKDV as presented.**

Hultstrom noted one minor change to the audit stating the City had increased its utility rates in 2020. Grams thanked Hultstrom for pointing out this correction and stated he would work with Mr. Mayer to get the information corrected.

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

G. APPROVE INTERFUND TRANSFERS FOR 2019 (Resolution)

Grams explained the City maintains various funds within its accounting system. At the end of each year, it is necessary to transfer funds into various accounts to balance the budget, repay the debt service costs of various projects, and to satisfy the City's best accounting practices. These transfers are suggested by the City Finance Department.

Mr. Groen discussed the proposed transfers in further detail with the Council and recommended approval.

**A motion was made by Hultstrom, seconded by Johnson, to adopt Resolution No. 2020-30 approving interfund transfers for the year ended December 31, 2019. A roll call vote was taken. The motion carried 5-0.**

#### H. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

Schulz thanked Johnson for asking for the cash balance summary in the packet of each City Council meeting now. He stated this was useful information for the Council to review.

**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 thanked Johnson for his generous donation in memory of Doris Groebner. He explained this was his grandmother who had recently passed away.

Grams wished Nancy Abts the best and thanked her for her dedicated service to the City of Osseo.

Grams explained he was uncertain why there was a glitch in the Matters from the Floor system during the April 27 City Council meeting.

Grams reported the City was considering how to reopen safely. He explained the Emergency Management Team was meeting routinely to discuss this matter.

#### 12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen stated she has enjoyed working with Nancy Abts over the past five years. She explained Ms. Abts was professional and dedicated. She wished Ms. Abts the best in the future.

Hultstrom wished Nancy Abts the best in the future and thanked her for being a dedicated employee to the City. She stated today was a day for all Minnesotans to be grateful because May 11 was Minnesota Statehood Day. Hultstrom discussed several webinars she has attended and noted the LMC was gearing up to advocate for resources for cities. She indicated she fielded several complaints regarding a candidate that was knocking door to door and residents felt this was inappropriate given the Stay at Home



order that was in place. Hultstrom thanked Grams and the City financial staff for their efforts on the 2019 audit. She reported she was scheduled for knee surgery on May 20.

Johnson stated the City lost a good friend to Osseo, Ray Smith, to COVID-19. He commented on a scam email he received from the fire inspector and stated this issue had been resolved. Johnson encouraged all residents to wear a mask when out and about in the community.

Stelmach wished Hultstrom all the best with her knee surgery. He thanked Nancy Abts for her passionate and dedicated service to the City of Osseo. He stated she would be missed and wished her well in her next venture. Stelmach thanked the finance department for their tremendous efforts on behalf of the City.

Schulz wished Nancy Abts the best and thanked her for her tremendous service to the City. He thanked the Police and Fire Departments for working diligently to make members of the community feel important. Schulz commended the finance department for the results from the recent audit. He explained Osseo runs a tight ship and he appreciated the findings within the 2019 Audit. He recommended the City Council consider forming a subcommittee to work with staff to better understand how much the City has spent on COVID-19 efforts. Schulz thanked Representative Dean Phillips for his efforts on behalf of his constituents during the COVID-19 pandemic. He thanked the City's commercial property owners who have waived rental payments. He indicated this was what Osseo was all about and this kindness would allow businesses to get through these unprecedented times. Schulz stated he appreciated the great sense of community that has been displayed throughout these difficult times.

Poppe thanked Nancy Abts for her dedicated service to the City of Osseo and wished her all the best.

13. ANNOUNCEMENTS

Poppe stated the Step To It Challenge would be held from May 1 through May 28.

Poppe reported City Hall would be closed on Monday, May 25, for Memorial Day.

Poppe explained the next City Council meeting would be held on Tuesday, May 26, at 7 p.m.

Poppe stated Night to Unite has been rescheduled to Tuesday, October 6.

14. ADJOURNMENT

**A motion was made by Schulz, seconded by Johnson, to adjourn the City Council meeting at 9:00 p.m. A roll call vote was taken. The motion carried 5-0.**

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*