

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
December 14, 2020**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:01 p.m. on Monday, December 14, 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, Public Works Director Nick Waldbillig, Financial Consultant Gary Groen, and City Attorney Mary Tietjen.

Others present: None.

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.

City Administrator Riley Grams reported the Accounts Payable would be approved as amended as he had two additions to the Accounts Payable.

A motion was made by Stelmach, seconded by Hultstrom, to accept the Agenda as amended. A roll call vote was taken. The motion carried 5-0.

5. CONSENT AGENDA

- A. Approve Work Session Minutes of November 23
- B. Approve City Council Minutes of November 23
- C. Approve Work Session Minutes of November 30
- D. Approve Special Meeting Minutes of November 30
- E. Approve 2021 Schedule of Meetings for City Council, EDA, and Planning Commission
- F. Approve 2021 Pay Increases for City Staff
- G. Receive October and November American Legion Gambling Reports
- H. Approve Training Request for New Councilmember Alicia Vickerman
- I. Approve 2021 Pawn License for Osseo Pawn LLC
- J. Approve Ehlers Disclosure Rate Schedule for 2021
- K. Set Special Council Meeting for Monday, December 28, at 6:00 p.m.
- L. Receive November Building Report

- M. Approve Training Request for Councilmember Juliana Hultstrom
- N. Consider Statutory Tort Limits for City's Liability Coverage in 2021

Johnson requested a change to the November 23 minutes on Page 10, noting the bank name was misspelled.

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

6. MATTERS FROM THE FLOOR

Grams reported staff had received a comment from Kenny Nelson at 509 3rd Avenue NE. Mr. Nelson wished the Council Happy Holidays. Mr. Nelson expressed concern about the train horns that were blowing at 12:00 a.m. and 3:00 a.m. Mr. Nelson encouraged the Council to work with neighboring cities to remedy this situation.

Grams explained staff has investigated how to get quiet zones established in Osseo and reported this requires oversight and change from the Federal Transportation Administration. He reported he has reached out to other cities that have gone through this process and understood it was rather expensive. He stated the City of Elk River spent \$750,000 to get three quiet zone railroad crossings. He indicated he has placed this item on hold for the time being.

Grams explained the second comment he received was from Preston Kroska at 601 2nd Avenue NE. Mr. Kroska discussed how colored concrete fades and noted Maple Grove was looking to replace Main Street after 20 years. Mr. Kroska questioned why the City had not pursued grant funding for the Central Avenue project. Mr. Kroska expressed concern with the RFP issues for the water meter project. Mr. Kroska understood the water meters were out of date, but noted the Council does not have to award a contract at this time. Mr. Kroska recommended the Council request an RFP having the bids include a transmitter. Mr. Kroska commented on Item 10H, the City Administrator's Review, and questioned why grant opportunities were missed last spring, and why some of his comments were never read to the public during the 2020 Street Assessment Project. Mr. Kroska believed the Tyler Software was a huge purchase that should not have been made. Mr. Kroska expressed concern with the work WSB was completing on behalf of the City. Mr. Kroska feared that WSB had no one's best interest in mind, except its own, and took no responsibility for the bad decisions that were made. Mr. Kroska questioned how fiber optics would be brought into Osseo given the fact his street now had sidewalks. Grams explained he would be responding to these comments via email in the coming days.

7. SPECIAL BUSINESS

A. THANK YOU TO 2020 VOLUNTEERS

Grams read a prepared statement thanking all volunteers who helped make Osseo a better place to live, work and play, and who helped give this community that special small-town feel in 2020.

Poppe thanked Lynde's Restaurant and Catering and the Osseo Trolley drivers for their contributions to the community.

Johnson thanked the local eagle scout for the project that was completed in Boerboom Park this year.

B. ACCEPT DONATIONS (Resolution)

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Tom Ingman	\$50	Water Tower
Harold & Gayle Johnson	\$400	Beautification
<i>(in memory of Betty Bearl, Jon Hersch, Laura Smith & Louis Walz)</i>		

Staff recommended the Council accept the donations.

A motion was made by Stelmach, seconded by Hultstrom, to adopt Resolution No. 2020-XX, accepting donations from Tom Ingman and Harold E. & Gayle Johnson. A roll call vote was taken. The motion carried 5-0.

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. DISCUSS CENTRAL AVENUE PROJECT FOR 2021 – Lee Gustafson, WSB (Resolution)

Lee Gustafson, WSB, stated the City Council approved the feasibility report for this project on October 26, 2020, and called for the improvement hearing to be held on November 23, 2020. After the public hearing on November 23, the City Council adopted a motion to reject the proposed resolution ordering the improvements because it was opposed to proceeding with the alley portion of the project.

Mr. Gustafson explained the City Council has since decided they now want to take action to proceed with the Central Avenue improvements only, as described in the Engineer's feasibility report. Staff has determined that we need to hold another improvement hearing just for the sidewalk repairs in front of Steeple Pointe due to a notification error. The Central Avenue improvements consist of replacing paver surfaces (roadway and sidewalk) with concrete pavement for the City Hall block and replacing the sidewalk and boulevard pavers with concrete in front of the Steeple Pointe property between 6th Street and 93rd Avenue. All Central Avenue improvements will be in accordance with the approved concept layout shown in the feasibility report. The concept layout was approved by the City Council earlier this year.

Mr. Gustafson reported the Central Avenue intersections with 4th Street and 5th Street (City Hall block) are areas with significant pedestrian crossing. Striping improvements were previously made at these crosswalk locations to improve visibility of the crossings. Pedestrian visibility and vehicle yielding continue to be issues at these intersections. It is currently proposed to install rectangular rapid flashing beacons (RRFB) at these Central

Avenue intersections to improve pedestrian visibility and safety. Analysis of the effectiveness of the RRFB at each of these intersection locations will be completed with final design. The RRFB would be installed on a separate, decorative pole like the streetlights.

Mr. Gustafson reported the existing trees and planter vegetation on Central Avenue within the project limits will be removed and replaced. The species of tree will be determined during final design and be appropriate for boulevard planting. The existing planters will be repaired and repainted as needed with the project. The tree planting and planter landscaping is currently proposed to be done under a separate contract with a landscaping company. The existing irrigation system on Central Avenue will be replaced within the project limits including the planter locations, tree grates, and hanging baskets. No streetlight changes are proposed.

Mr. Gustafson stated the total project cost is estimated at \$568,890 and includes all proposed roadway, streetscaping, sidewalk, utility, and storm sewer improvements as well as all engineering, legal, financing, and administrative costs. Funding for the 2021 Central Avenue Reconstruction Project will be through assessments to benefitting properties (Steeple Pointe) and City street and utility funds. The City will also pursue funding from the Single Purpose Application grant from the Minnesota Department of Employment and Economic Development (DEED)'s Small Cities Development Program. This grant would be applicable as a Streetscape Rehabilitation project and could provide all or most of the funding for the Central Avenue improvements.

Mr. Gustafson indicated this project also includes replacing the sidewalk in front of the Steeple Pointe property. This sidewalk replacement will be based on the City's special assessment policy which calls for 50% of the proposed sidewalk improvements to be specially assessed including all administrative costs. The remaining 50% and 100% of the landscaping costs in this area will be financed by the City through street and enterprise funds. All project costs for the improvements on Central Avenue within the City Hall block will be funded by the City.

Hultstrom explained she spoke to two separate people and she understood colored concrete requires a lot of maintenance. She stated she was advised not to install colored concrete in areas of high use, where salt and snow removal would occur. She indicated WSB was supposed to show the Council samples and this has not occurred. She explained she would not be in support of this project moving forward with colored concrete along Central Avenue.

Stelmach requested further information on the stability and performance values of colored concrete. Mr. Gustafson stated colored concrete has had problems in the past. However, as was discussed, if lighter colors are used, the instability and fading concerns are reduced. He explained he was proposing the City have light tan concrete because this would hold up much better. He reported each contractor uses a different supplier and samples of the concrete would be brought to the City for review and approval once a contractor was selected. He explained each contractor had specific tones and colors for their concrete.

Stelmach questioned if there was a change in the life expectancy for colored concrete versus the non-colored concrete. Mr. Gustafson reported the key thing with colored

concrete was to ensure there was a good mix with the right amount of air in the concrete. He commented if this were done properly, colored concrete would last as long as non-colored concrete.

Stelmach stated it sounds like samples will be brought to the Council once a contractor is selected and it sounds like the life expectancy of colored concrete was the same as non-colored concrete when mixed properly. He asked how Councilmember Hultstrom felt about colored concrete after learning this information.

Hultstrom discussed the comments she heard from concrete vendors and noted she still has concerns with colored concrete. She expressed concern with the fact Mr. Gustafson had been dismissive at a public forum when questions were raised regarding colored concrete. She stated her concerns regarding the use of salt on high traffic areas had still not been addressed. In addition, she was unclear if the colored pavement had to be sealed on a yearly basis. Mr. Gustafson explained he was not aware of what public forum he had been dismissive. He reported there were debates on the alleyways whether they would be concrete or bituminous. He understood that people had different opinions. He indicated he could point to numerous places where colored concrete was used successfully. He stated he would not support the City pursuing bright red concrete because this would fade.

Stelmach stated he had a significant safety concern for the pedestrian crossing at Steeple Point. He questioned how the rest of the Council felt about this issue and the project in general.

Johnson explained he spoke to MNDOT and noted they were not in favor of colored concrete. He reported if the city's colored concrete required more than one batch the batches may not perfectly match. He stated MNDOT also recommended sealing the colored concrete periodically and he wanted to understand if this was necessary. He appreciated that staff was recommending a lighter color for the colored concrete. He understood the sidewalk outside of Steeple Point had to be addressed and recommended this be completed first.

City Attorney Tietjen clarified the Council did not need to rescind the action that was taken at the previous meeting, but rather could proceed with approving the Resolution recommended by staff.

Johnson asked who would be appointed to the Streetscape Committee given the fact Councilmember Schulz would no longer be on the Council after December 31, 2020.

Poppe inquired if Schulz would be willing to attend one more Streetscape Committee meeting to assist with completing this project for continuity purposes.

Schulz stated he would be willing to serve at the pleasure of the Council. He explained Johnson and himself have worked on this project for over a year. He indicated it was a little frustrating that some of the questions and concerns were not addressed prior to the final meeting. With that said, he heard Mr. Gustafson state this was a formality and final decisions would be made after the feasibility report was back. He indicated if this project did not move forward tonight the project would not be completed in a timely and cost-efficient manner in 2021. He reported if Councilmember Johnson did not

support colored concrete now, then it may not be worth sending this matter back to the Streetscape Committee. He feared this was simply a last-ditch effort to deny something.

A motion was made by Schulz, seconded by Johnson, to adopt Resolution No. 2020-XX, calling for the Improvement Hearing for the 2021 Central Avenue Reconstruction Project. A roll call vote was taken. The motion carried 4-1 (Hultstrom opposed).

Mr. Gustafson stated once a contractor was selected, he would have colored concrete samples for the Council to review.

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF DECEMBER 14, 2020

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable, approved the 2021 EDA budget, received a presentation on the CCX Media Small Business Assistance Program, reviewed the 2021 schedule of meetings and officer positions, and approved the 2021 Municipal Advisory Client Disclosure Agreement with Ehlers.

A motion was made by Stelmach, seconded by Johnson, to confirm the EDA actions of December 14, 2020. A roll call vote was taken. The motion carried 5-0.

B. APPROVE CONTRACT WITH FERGUSON FOR WATER METER PROJECT – Lee Gustafson, WSB

Lee Gustafson, WSB, requested the Council approve the contract with Ferguson for the water meter replacement project. He discussed the history of this matter noting the Council considered this matter at a previous meeting and staff was directed to speak with Ferguson to negotiate a software agreement, a service agreement, and to better understand how installations would occur. He commented on a letter that was provided by Ferguson regarding the contract and recommended approval of a contract with Ferguson for the Water Meter Project. Staff noted if this contract was approved this evening Ferguson would begin installations in January 2021.

Johnson questioned what the total cost for this program would be. Mr. Gustafson discussed the price of the contract in further detail with the Council for the next 15 years.

Johnson asked which items were not included in the “essentials”. Mr. Gustafson stated he did not have the print-out in front of him.

Schulz stated the “essentials” portion of the contract would be addressed after the Tyler Software was installed. Grams commented on the installation schedule for Tyler and anticipated this program would be ready for use by May 2021.

A motion was made by Schulz, seconded by Stelmach, to approve a contract with Ferguson for Water Meter Project. A roll call vote was taken. The motion carried 5-0.

C. ACCEPT BIDS & AWARD CONTRACT FOR SEWER LINING PROJECT – Lee Gustafson, WSB (Resolution)

Lee Gustafson, WSB, stated the 2020 sanitary sewer lining project consists of lining approximately 6,190 lineal feet of sanitary sewer pipe in the northeast part of the City with a cured-in-place epoxy resin pipe liner. The proposed improvements will help reduce groundwater infiltration into the system, eliminate root growth at joints, and ultimately extend the serviceable life of this underground infrastructure. The sanitary sewer lines that are proposed for rehabilitation are located on several streets throughout the City. The recommended sewer repairs were determined after analyzing the sewer televising that was completed in 2019. Staff commented further on the process that was followed for bids and recommended Hydro-Klean be awarded the project.

A motion was made by Stelmach, seconded by Johnson, to adopt Resolution No. 2020-XX, accepting bids and awarding the contract for the 2020 Sewer Lining Project to Hydro-Klean, LLC. A roll call vote was taken. The motion carried 5-0.

D. DESIGNATE POLLING PLACE FOR 2021 ELECTION PRECINCT (Resolution)

Grams stated Minnesota Statutes Section 204B.16 states that by December 31 of each year the governing body of each city must designate by ordinance or resolution a polling place for each election precinct. Osseo has one voting precinct--the Osseo Community Center. This “house-keeping” matter is done annually. At this point, there is no anticipated election in 2021.

A motion was made by Johnson, seconded by Stelmach, to adopt Resolution No. 2020-XX, establishing the polling place for the election precinct for any 2021 election. A roll call vote was taken. The motion carried 5-0.

E. APPROVE AMENDED AGREEMENT WITH FIRE CHIEF MIKE PHENOW

Grams stated the City hired Mike Phenow as Fire Chief starting on January 1, 2019. The original employment agreement with Chief Phenow was structured to end on December 31, 2020. After connecting with Chief Phenow and the Council HR Committee, the City would like to extend the employment agreement with Chief Phenow. City Attorney Mary Tietjen provided a revised agreement for the Council to consider. The only changes to the agreement are as follows:

- 1) The agreement will go on for an indefinite amount of time, and both parties may end the agreement at any time. The Council shall renew the agreement every two years via simple Council action.
- 2) The position is eligible for cost-of-living adjustments beginning in 2021, as approved by Council.
- 3) Language regarding the Command Vehicle was removed. Any work-related mileage incurred by the Fire Chief is eligible for reimbursement per the City's Personnel Policy.

Grams reported the Council HR Committee has reviewed the agreement and recommends its approval to the Council.

A motion was made by Hultstrom, seconded by Stelmach, to approve the amended employment agreement with Chief Mike Phenow.

Schulz stated he was happy to see this item on the agenda. He explained he appreciated the dedicated service of Fire Chief Phenow.

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

F. ADOPT 2021 CITY BUDGET AND TAX LEVY (Resolutions)

Grams stated he was pleased to present the 2021 City Budget and Tax Levy for approval. The 2021 City Budget shows a fully balanced budget between expenditures and revenues. He reviewed the budget and tax levy in further detail with the Council noting the changes that were made from 2020 to 2021. He described how the budget had been adjusted to take into consideration COVID impacts. This was the eighth consecutive year the City has been able to lower the City's tax rate. Staff recommended approval of the 2021 City budget and tax levy.

Schulz explained for the past 11 years he has argued to have the budget cut. He stated he would not be arguing for that this year. He indicated he had several different ways to get this down to a 2% levy and had spoken to City Administrator Grams about this. However, after hearing the Council at the recent work session, the Council had no solutions other than the 5+% increase. He commented he would not be able to support the proposed budget and tax levy.

Johnson requested further information regarding the fiscal disparity line item. Groen explained this was a seven-county commercial tax where cities contribute valuation into the pool and money was received back based on tax rates. He further reviewed the amount the City would be paying and receiving in fiscal disparities for 2021.

Johnson commented the City would have some properties come out of a TIF District in 2021. He questioned how this would impact the City. Groen reported these properties would assist in increasing the value of the City's tax base.

A motion was made by Hultstrom, seconded by Johnson, to adopt Resolution No. 2020-XX, approving the 2021 City Budget and General Tax Levy. A roll call vote was taken. The motion carried 3-2 (Schulz and Stelmach opposed).

A motion was made by Johnson, seconded by Hultstrom, to adopt Resolution No. 2020-XX, approving the 2021 Debt Service Levies. A roll call vote was taken. The motion carried 5-0.

G. APPROVE 2021 CAPITAL IMPROVEMENT PLAN

Grams explained each year the Council approves the Capital Improvement Plan documents as presented by staff. Staff reviews and updates these plans annually after meeting with department heads to discuss future capital needs and other spending required to operate city functions and provide high quality services to the residents and business owners. By approving these documents, the Council is not necessarily

committing to the future purchases as outlined in the CIP. Instead, the CIP is meant as a long-term financial planning tool to help guide City decisions. The Council reviewed the CIP at the November 30 budget work session meeting. It was noted staff has included the costs associated with the 2021 Central Avenue improvements. Staff commented further on the CIP and recommended approval.

A motion was made by Johnson, seconded by Hultstrom, to approve the 2021 Capital Improvement Plan. A roll call vote was taken. The motion carried 5-0.

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

City Attorney Tietjen recommended the City Council motion to close the meeting pursuant to Minnesota Statutes Section 13D.05, subd. 3(a), convene to a closed virtual meeting to conduct the review, and then re-open the meeting and announce that a summary will be given at the meeting on January 11, 2021.

A motion was made by Stelmach, seconded by Schulz, to adjourn the City Council meeting to a Closed Session at 8:34 p.m. A roll call vote was taken. The motion carried 5-0.

A motion was made by Stelmach, seconded by Schulz, to reconvene the City Council meeting at 10:14 p.m. A roll call vote was taken. The motion carried 5-0.

A motion was made by Stelmach, seconded by Schulz, to approve a 2.5% raise for City Administrator Riley Grams based on the City Council Performance Review. The motion carried 4-1 (Hultstrom opposed).

I. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council noting he had two additional items for the Council to consider, one being an invoice from Kennedy & Graven and the other request was to remove the Xcel Energy item as it was incorrectly coded as a bill but was a franchise fee.

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

11. ADMINISTRATOR REPORT

Grams reported this has been a difficult year for everyone. He thanked the City Council for their efforts and stated he was excited about the position the City was in. He commented this was a never-ending job to keep improving the City and stated he was looking forward to what 2021 would bring. He noted he would be communicating with the City Council after he hears what the governor has to say on Wednesday, December 16.

Grams thanked Councilmember Schulz for his 11 years of dedicated service to the City of Osseo on the City Council and EDA and stated the City had a plaque for him. He thanked Councilmember Schulz for all his efforts and wished him all the best in the future.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen stated she has enjoyed working with City Administrator Grams and believed she had a good working relationship with him. She wished Councilmember Schulz well and stated his energy would be missed.

Hultstrom thanked Councilmember Schulz for his service on the City Council and EDA. She wished everyone Happy Holidays.

Johnson thanked Councilmember Schulz for his long-term service to the residents of Osseo.

Stelmach thanked Councilmember Schulz for all he has given to the City. He appreciated his tremendous service to the community. He wished everyone the happiest of holidays. Stelmach encouraged residents to break down cardboard boxes and place in the recycling bins for safety reasons.

Stelmach commented over the weekend he was contacted by a resident about an event she was planning for a food, clothing, and toy drive, followed by a holiday parade around town. He reported this event would be held at the American Legion on Saturday, December 19, where a clothing, food, and toy drive would be held from 9 a.m. to 6 p.m. He explained all the items collected would be distributed to the CROSS Food Shelf, local homeless shelters, and children's support groups. He thanked the American Legion for their efforts and service to the community. He noted donations could be made contactless on Saturday. He stated as a way for the community to celebrate, on Wednesday, December 23, emergency services (the fire and police departments) would be parading around the community to spread Christmas cheer. He thanked the community members that assisted with planning this event.

Schulz commented he has appreciated the outpouring of thank yous. He explained his approach and his tenacity on the City Council was due to the passion he has for the community and what it has given to his family. He stated 11 years was a long time to serve on the Council. He discussed how his family has grown over the years. He thanked his wife and children for allowing him to serve. He discussed why he chose to serve on the Council, and it was because he saw something that needed to be changed. He believed the successes over the past 11 years served as a template for many other communities. He talked about the friends he has made over the past 11 years and noted his four main concerns were always public safety, clean water, proper sanitary sewer services, and good roads. He described how he has advocated for families over the years, brought new developments to the community, and worked to improve the City's business district. He stated he has many fond memories of his time in serving the City of Osseo. He thanked the community for their support and for trusting in the process. He asked the Council to lean on staff, to trust in them while also verifying. He explained this was a fragile place and he wanted his grandchildren to call this community home. He encouraged Councilmembers to stay away from partisan garbage and to do what was best for Osseo. He looked forward to continuing to serve this community in the future and noted he would continue to serve on the CCX Executive Committee and would stay ready to serve as the Council wishes.

Poppe offered Councilmember Schulz a heartfelt thank you for his tremendous service to the community. He appreciated Councilmember Schulz for being an advocate and ally over the years. He stated Councilmember Schulz would be greatly missed.

13. ANNOUNCEMENTS

Poppe encouraged residents to consider dropping off a new, unwrapped toy for the Toys for Tot drive which will end on Wednesday, December 16.

Poppe reported the City was seeking Commission members at this time. Those interested were encouraged to contact City Hall for further information.

Poppe explained City Hall would be closed on December 24-25 for the Christmas Holiday and on December 31-January 1 for the New Year's Holiday.

14. ADJOURNMENT

A motion was made by Johnson, seconded by Stelmach, to adjourn the City Council meeting at 10:42 p.m. A roll call vote was taken. The motion carried 4-1 (Schulz opposed).

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial