

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
March 8, 2021**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:03 p.m. on Monday, March 8, 2021. Due to the COVID-19 pandemic this meeting was held virtually.

2. ROLL CALL

Members present: Councilmembers Juliana Hultstrom, Harold E. Johnson, Larry Stelmach, Alicia Vickerman, and Mayor Duane Poppe.

Staff present: City Administrator Riley Grams, Community Management Coordinator Joe Amerman, 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 requested item 10E be added to the Agenda for Council approval of the Summer Youth Sports Programming.

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

5. CONSENT AGENDA

- A. Approve Council Minutes of February 22
- B. Approve Council Work Session Minutes of February 22
- C. Receive February Building Report

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

6. MATTERS FROM THE FLOOR

Grams explained he received a comment from Sarita Nelson at 509 3rd Avenue NE asking the Council to follow through with a partnership with Maple Grove and Dayton for the train quiet zone. Ms. Nelson explained the overnight train traffic was disruptive

to her two young children and she looked forward to Osseo looking into becoming a quiet zone.

7. SPECIAL BUSINESS

A. ACCEPT DONATION (Resolution)

Grams stated the City has received the following donation:

<u>Donor</u>	<u>Amount/Item</u>	<u>Designated Fund</u>
Harold & Gayle Johnson	\$750	Beautification

Staff recommended the Council accept the donation.

A motion was made by Hultstrom, seconded by Stelmach, to adopt Resolution No. 2021-15, accepting a donation from Harold and Gayle Johnson. A roll call vote was taken. The motion carried 5-0.

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. RECONSIDER ON SALE LIQUOR LICENSE FEES FOR 2020-2021

Grams stated at the May 26, 2020, Council meeting, on sale liquor license fees were temporarily reduced for the first half of the license year due to COVID-19 and resulting bar closures. Fees were collected from licensees at 25 percent the normal annual fee. The Council opted to reevaluate the situation in November.

Grams reported in November 2020, the Council discussed the pandemic and how it continued to effect on sale liquor businesses. At that time, the Council took no action but stated it would like to discuss this issue in March 2021. Per the City fee schedule, on sale liquor license fees for the July 1, 2020-June 30, 2021, license period are listed with normal fees and the prorated amount actually paid to the City in June 2020, based on the Council action approving a temporary reduction in license fees.

ON SALE LIQUOR LICENSE	normal	paid
Dick's Bar, 205 Central Ave	\$6,000	\$1,500
Duffy's Bar & Grill, 337 Central Ave	\$6,000	\$1,500
Lynde's Restaurant, 209 Co Rd 81	\$6,000	\$1,500

SUNDAY LIQUOR LICENSE		
American Legion, 260 4th Ave SE	\$200	\$50
Dick's Bar, 205 Central Ave	\$200	\$50
Duffy's Bar & Grill, 337 Central Ave	\$200	\$50
Lynde's Restaurant, 209 Co Rd 81	\$200	\$50

CLUB LIQUOR LICENSE		
American Legion, 260 4th Ave SE	\$500	\$125

BEER LICENSE

Olympia Café & Gyros, 247 Central Ave	\$300	\$75
Yellow Tree Theatre, 320 5th Ave SE	\$300	\$75
Red Savoy Pizza, 225 Central Ave	\$300	\$75

WINE LICENSE

Olympia Café & Gyros, 247 Central Ave	\$650	\$162.50
Yellow Tree Theatre, 320 5th Ave SE	\$650	\$162.50
Red Savoy Pizza, 225 Central Ave	\$650	\$162.50

TOTALS	\$22,150	\$5,537.50
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Staff asked if the Council wished to consider fees for remainder of 2020-2021 license period.

Hultstrom stated she would like to see the fees remain at 25% paid and that the rest of the fee be waived through June 2021.

Johnson agreed the fees paid should carry the businesses through June 2021. He noted these businesses were not fully open and he would like the City to not charge additional fees for the 2020-2021 license period.

Stelmach commented he also supported this recommendation.

Vickerman concurred.

A motion was made by Hultstrom, seconded by Vickerman, to recommend the liquor license fees paid for calendar year July 1, 2020, through June 30, 2021, be 25% and that no additional fees be collected. A roll call vote was taken. The motion carried 5-0.

10. NEW BUSINESS

A. CONSIDER ON SALE LIQUOR LICENSE FEES FOR 2021-2022

Grams stated liquor licenses are due for renewal soon (the license period is July 1, 2021, to June 30, 2022). Renewal applications are typically sent out in late March or early April. Given ongoing pandemic concerns, does the Council want to discuss fees for on sale liquor license fees at this time for the upcoming license period? For the 2020-2021 license period, on sale license fees were reduced to 25 percent of the normal fee. As noted in the information in Item 9A, there have been several methods other metro cities have used in relation to how/if on sale liquor fees were impacted (in current period) and/or will be collected (in future period). There is no urgency for this discussion; however, if a decision were to be made sooner rather than later, it could impact fee collection during the renewal process.

Stelmach stated the last time the Council looked at this information was provided on what comparable cities were doing. It was his understanding Osseo was offering greater discounts to its businesses given the size of the City. He recommended the liquor license fees remain at 25% for 2021-2022.

Johnson asked if a business were not using its license at this time, but applied in September after reopening would the reduced rate be applied to the local business. Grams reported this was the case.

Johnson indicated he would like special consideration to be given to the Yellow Tree Theatre given the fact they were still closed. Grams suggested any struggling business to reach out to staff to have a conversation. He indicated businesses could always have their license lapse and renew when they were able to fully reopen.

Hultstrom asked if the Council could support waiving the 25% fee to September to allow businesses to more fully open before having to pay their liquor license fee.

Stelmach explained the community would be reaching herd immunity this summer and businesses would be able to reopen without reduced capacity. For this reason, he would like the normal fees to be collected prior to June 30, 2021.

Hultstrom questioned if liquor license fees were typically paid in June of each year for the following year. Grams reported this was the case.

Vickerman suggested the fees be collected and that the Council be open to adjusting the fees mid to late summer if COVID were to peak again. Grams commented this could be done.

Poppe stated he would like to leave the liquor license rates as is with the understanding the Council can revisit the rates in May or June.

A motion was made by Johnson, seconded by Hultstrom, to charge normal 2021-2022 liquor license fees with the understanding the Council may be revisiting these fees mid-summer. A roll call vote was taken. The motion carried 4-0-1 (Stelmach was absent for this vote).

B. DISCUSS LATE FEES FOR UTILITY BILLS

Grams stated at the April 13, 2020, Council meeting, the Council opted to waive utility late fees to assist everyone during the pandemic. A motion was made and approved to waive utility late penalty fees for the first and second quarters of 2020, and direct staff to review this with the Council after the second quarter. Late fees were waived throughout 2020.

First quarter utility bills will be going out in April. Staff asked if the Council wants to reinstate the ten percent (10%) utility late penalty fee or continue to waive late penalty fees.

Johnson commented he did not believe it was necessary for the City to waive the late fees.

Vickerman indicated some Osseo residents may still be struggling through the pandemic and for this reason she supported the fees being waived through the 1st quarter. She questioned how much the City lost in late fees in 2020. Grams reported generally residents paid their utility bills on time. He indicated the City had the same number of

late payments in 2020 as it did in 2019. He anticipated this would be the same situation in 2021.

Stelmach asked if COVID influenced more late payments or was it the same properties. Grams commented it was the same properties paying late in 2020.

A motion was made by Hultstrom, seconded by Johnson, to reinstate the 10% late penalty for late payment on utility bills with the first quarter utility billing in April 2021. A roll call vote was taken. The motion carried 5-0.

C. DISCUSS PARTNERSHIP FOR QUIET ZONE ASSESSMENT STUDY

Grams stated the City has continued to field complaints from residents regarding loud train horns, particularly during the overnight hours at two of Osseo's BNSF railroad crossings. Staff connected with the City of Maple Grove to discuss partnering together to determine the process for establishing a quiet zone. The City has received some feedback from other communities who have gone through this process already, and while the expected overall cost is quite high, the first step would be to conduct a study to determine if a Quiet Zone is feasible and, if it is, what improvements are needed at each crossing to provide continued safety.

Grams explained staff has also included the City of Dayton since the BNSF rail line goes through the three cities. This leads to a broader "system" approach where we could potentially team with our neighboring cities to conduct a quiet zone assessment of our respective crossings that have the potential of impacting not only our own residents, but also residents in our neighboring cities.

Grams commented a tentative agreement was agreed to at a staff level. Maple Grove is willing take the lead on the study, and has been working with its engineering consultant, SRF, to formulate an initial plan. Maple Grove asked SRF to expand the original request letter proposal to conduct a Quiet Zone Assessment for all of the crossings of the BNSF rail line within the Cities of Maple Grove, Dayton, and Osseo. There are a total of 10 crossings of the BNSF rail line in the three cities. There are two in Dayton, two in Osseo, and six in Maple Grove.

Grams indicated Maple Grove proposes a cost-sharing agreement, where the City of Maple Grove would contribute \$16,000 of the total \$22,000 fee for the study, and the remaining \$6,000 (or \$3,000 for each) would be split between the Cities of Dayton and Osseo. Maple Grove offers to lead this effort from a contract administration standpoint with SRF, and then the three cities could then work together to prepare any cost-sharing agreement, as needed, for the creation of the Quiet Zone and future crossing improvements, if feasible. By entering into this study agreement, the City of Osseo IS NOT required to go any further into the creation of a Quiet Zone or improvements at crossings. That will be determined at a future date after the results of the study are known.

Grams explained the City of Maple Grove will be moving forward with an assessment of their six crossings regardless of whether either the Cities of Dayton and/or Osseo do not decide to participate. The expected outcome of the Quiet Zone Assessment is more than just an answer to the question of "could there be a quiet zone?" The study will

summarize the existing conditions at each crossing, identify the minimum crossing improvements needed at each crossing to obtain a quiet zone, provide planning-level costs of the proposed improvements, and layout the next steps to get the quiet zone approved. At the completion of the study, each city can decide whether they would like to proceed with the next steps towards the establishment of a quiet zone. By agreeing to participate in this Quiet Zone Assessment, none of the three cities are committed to making any of the identified improvements.

Grams reported while Osseo has not budgeted for the \$3,000 cost to participate in this study, there are contingency funds available. He proposed the cost of this study come from contingency funds. It also shows that the City is looking into feasible options.

Stelmach commented he was trying to reconcile the expense from the contingency fund for the quiet zone study, noting the contingency fund had to last through the end of the year.

Hultstrom stated she believed the Council owed it to the residents of Osseo to participate in the study given the number of complaints that have been received. She asked if Rogers had been contacted to participate in this study. Grams reported it was his understanding the proposed rail line does not run through Rogers.

Hultstrom explained she would support the City moving forward with the quiet zone study given the fact Osseo would only be responsible for paying for a small portion of the expense and with the understanding staff has said the fee could be covered by the contingency fund. Grams explained the City would not be bound or obligated to complete any improvements at the railroad crossings if the Osseo were to participate in the study.

Vickerman questioned what would happen if the City did not want to share in the cost, would Osseo still have access to the results of the study. Grams commented this was not his understanding. He noted Osseo's crossings would not be included in the study if it did not pay its share.

Johnson indicated Maple Grove approved the quiet zone study at its meeting last Monday night. He asked how a quiet zone was controlled. Grams stated it was his understanding that quiet zones restrict train horns from point A to point B. To compensate for not having the train horns, other safety measures would have to be put in place, whether flashing lights or arms. He reported the study would tell the City what would have to be done at these crossings to get the quiet zone in place.

Johnson questioned if there were arms on the Jefferson Highway railroad crossing. He supported arms and lights being installed at this crossing. Grams believed there were arms and lights at this crossing.

Johnson anticipated it would be quite costly to get the proper intersection safety improvements installed, but noted he would support the cost for the quiet zone study.

Stelmach asked if the City would be able to apply for grant money to assist with the expense of future improvements. Grams stated he was not aware of any grants.

Hultstrom explained she just received a text from a resident requesting the Council not spend the money on the quiet study.

Vickerman reported she has heard from both sides on this issue. She commented she would support the City moving forward with the study to learn more about the situation.

Stelmach indicated he grew up by a train track and noted he got used to it over time. He stated the train horn has never bothered him. However, he understood people are bothered by it, and for this reason he would support the \$3,000 expense for the train study. He stated the City would have to spend a great deal more if it was trying to pursue this initiative on its own. He commented he was not comfortable with spending contingency funds this early in the year, but he also heard the points of the Councilmembers.

A motion was made by Johnson, seconded by Vickerman, to approve participation in the Quiet Zone Assessment Study (with the cities of Maple Grove and Dayton) at a cost of \$3,000. A roll call vote was taken. The motion carried 5-0.

D. SUPPORT MINNESOTA BROWNFIELDS GRANT APPLICATION (Resolution)

Community Management Coordinator Joe Amerman stated at the February 22 Council Work Session the Council directed staff to begin preparations for the removal of the city-owned residence at 17 4th Street NE. The removal of this residence is a prerequisite of the planned expansion of Boerboom Veterans Park.

Amerman reported the first step in demolition is conducting a Phase 1 Environmental Site Assessment (ESA), as well as a Regulated Building Materials Survey. The ESA and Survey identify and clarify suspected environmental concerns, providing contractors with the information they need to properly calculate the costs of demolition.

Amerman explained the City is applying for funding from the non-profit Minnesota Brownfields to pay for the ESA and Survey. Minnesota Brownfields provides grants of \$15,000 or less for ESA's and Surveys through their Brownfield Gap Financing Program (BGFP). \$15,000 would cover the cost of ESA's and Surveys for 17 4th Street NE and the other two city-owned properties on the block. On behalf of the City, WSB is currently beginning an application to the BGFP; however, this application requires a resolution of support from the City Council.

Grams discussed the lengthy process that had to be followed to demolish a structure. He explained WSB would be assisting the City with this process. Amerman estimated it would take 11 to 15 weeks to demolish the home.

Stelmach asked when the grant money would be released. Amerman indicated the funds would be released in the next two weeks, if approved, and after that time WSB could move forward with the ESA.

Johnson explained the City could do no work on this property until the grant is approved. He asked if the \$15,000 grant would cover ESAs for all three properties. Amerman reported this was the case.

Johnson questioned what the advantage was of doing the other two properties now, if they would need a refresher prior to demolition. Amerman stated the one grant application would cover the cost of three ESA's and surveys for the City.

A motion was made by Johnson, seconded by Hultstrom, to adopt Resolution No. 2021-16, supporting an application to the Minnesota Brownfields' Brownfield Gap Financing Program for 17 4th Street NE, 25 4th Street NE, and 417 1st Avenue NE. A roll call vote was taken. The motion carried 5-0.

E. APPROVE SUMMER YOUTH SPORTS PROGRAMMING

Amerman discussed the proposed schedule from RevSports for the 2021 summer youth sports programming. He explained the schedule was slightly updated from 2020. He noted a five-minute transition period had been built into the schedule for COVID safety reasons. He indicated the sport sessions would run in five week increments and there would be three sessions. He reported the Parks and Recreation Committee has recommended the pricing remain the same for 2021 and that no increase be considered. He described the registration process that would be followed through CardX.

Vickerman suggested the City consider offering soccer for both boys and girls. Amerman explained he spoke to RevSports regarding this matter and RevSports indicated past practices show that girls only sessions increase participation.

A motion was made by Hultstrom, seconded by Vickerman, to approve the 2021 summer youth sports programming and fee schedule. A roll call vote was taken. The motion carried 5-0.

F. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

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

11. ADMINISTRATOR REPORT – None.

12. COUNCIL AND ATTORNEY REPORTS

Johnson reported there was a new COVID-19 program for emergency rental assistance. He encouraged those struggling to pay rent to investigate this program. He noted information can be found at housing@hennepin.co.us. He stated the SBA was offering a second round of PPP for businesses with 20 or fewer employees. He indicated the deadline for this program was March 9 at 5 p.m. He explained there was also CARES Act money available to residents that were behind on their mortgage and the deadline for this program was March 31. Johnson discussed the development that was occurring around Osseo. He noted a development that would be built by D.R. Horton in Maple Grove and indicated this development would bring additional traffic to downtown Osseo. He commented the property at 93rd and Decatur in Brooklyn Park would be

occupied in 2022 and would bring 300 new jobs to the area. He stated he would like to see this construction traffic veered away from Central Avenue. Grams commented he could make the request and explained construction traffic was mostly dictated by load restrictions on roadways.

Hultstrom sent her condolences to Police Chief Mikkelson on the loss of his sister.

Hultstrom and Poppe wished everyone a Happy International Women's Day.

13. ANNOUNCEMENTS – None.

14. ADJOURNMENT

A motion was made by Vickerman, seconded by Hultstrom, to adjourn the City Council meeting at 8:23 p.m. A roll call vote was taken. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial