

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
May 10, 2021**

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 10, 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, Public Works Director Nick Waldbillig, Police Chief Shane Mikkelsen, Community Management Coordinator Joe Amerman, and City Attorney Mary Tietjen.

Others present: John Engstrom, Dick Leighninger, and Lee Gustafson-WSB.

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 9B be added to the Agenda for the City's Street and Alley Project.

A motion was made by Stelmach, seconded by Hultstrom, to accept the Agenda as amended adding Item 9B – City's Street and Alley Project. A roll call vote was taken. The motion carried 5-0.

5. CONSENT AGENDA

- A. Approve Work Session Minutes of April 26
- B. Approve City Council Minutes of April 26
- C. Receive April Building Report
- D. Approve Osseo Lions Fee Waivers for Two Steak Fries
- E. Approve Osseo Lions Fee Wavier for Pancake Breakfast
- F. Receive March Hockey Association Gambling Report
- G. Approve Liquor & Tobacco License Renewals

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 – None.

7. SPECIAL BUSINESS

A. APPROVE OSSEO CAR SHOW AND CRAFT FAIR SPECIAL EVENT PERMIT

Grams stated the Osseo Vintage Foreign Car Show and Craft Fair is back for another exciting event here in Osseo after missing last year due to the COVID-19 pandemic. The event is scheduled for Saturday, May 22, from 10 AM to 3 PM. The event is held rain or shine. Local car clubs (Mercedes, Jaguar, MG, Citroen, Triumph, Austin Healey, Lotus, Mini, Alfa, and others) showcase their cars for visitors. The Craft Fair in the Park will also be back this year, with vendors showing and selling various craft items. C.R.O.S.S. Food Shelf will have containers available for donations of non-perishable food items. The event requires the closure of several streets in the downtown area.

The special event permit allows for City staff review of the event and determination if any special needs required for the event. The Car Show and Craft Fair will require a small amount of Public Works time to set out the necessary No Parking signs and traffic barricades prior to the event. The event organizers then set the barricades out the day of and put them back at the end of the event with the help of the Police Department. The fee associated with this work is 1 hour of Public Works time at \$50 per hour. Additionally, there is a \$50 application fee. Staff understands that the applicant will seek a waiver of the permit fees for this event and ask for free advertising on the Osseo Gateway Sign. The City has historically approved the fee waivers for this event each year.

John Engstrom, Antique Car Show representative, thanked the Council for its consideration. He explained he has turned this event over to Dick Leighninger. He requested the Council consider waiving the permit fees for the antique car show.

Dick Leighninger thanked the City for being gracious hosts for the Intermarque Car Show. He stated last year was bleak because of the COVID-19 virus. He commented he was looking forward to holding the car show in Osseo on May 22. He reported the event was pushed back two weeks in hope of better weather and to allow for more individuals to be vaccinated. He indicated he was uncertain how attendance would be for this event but appreciated the fact that the governor was loosening restrictions.

Hultstrom reported Union Speed and Style was excited to be a part of this event this year.

A motion was made by Hultstrom, seconded by Johnson, to approve the 2021 Vintage Foreign Car Show and Craft Fair with associated fee waivers and street closures.

Vickerman asked if masks would be required for this event. Mr. Leighninger reported masks would not be required at this outdoor event but would be available, along with hand sanitizer, at check in.

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

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. APPROVE SECOND READING AND ADOPTION OF ORDINANCE AMENDMENT 2021-2 TO REZONE PROPERTIES TO EDGE MIXED USE DISTRICT (Resolution)

Community Management Coordinator Joe Amerman stated on August 12, 2019, Osseo's 2040 Comprehensive Plan Update was adopted. 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, cities that update their land use plans must then follow up with necessary zoning amendments to bring zoning controls into alignment with the goals and policies of the adopted comprehensive plan. The proactive rezoning of the subject properties is the next step in fully implementing the Edge Mixed Use Zoning District.

Amerman reported the Future Land Use Guide Plan within the 2040 Comprehensive Plan identifies the properties that are guided as Edge Mixed Use (EMX). Because the EMX District was recently approved as a new zoning district, none of the properties that are guided EMX are currently zoned EMX. As shown on the Zoning Map, the existing zoning for properties guided EMX include Multi-Family Residential (R-2), Central Business District (CBD), One- and Two-Family Residential (R-1), and Highway Commercial North (C2N). Rezoning all the property that is guided EMX at this time will most efficiently bring the zoning into alignment for the EMX-guided properties.

Amerman explained many of the properties proposed to be rezoned EMX have been identified by the 2040 Comprehensive Land Use Plan as "Redevelopment Opportunity Areas" within Osseo between the time of Plan adoption and 2040. The properties proposed to be rezoned to EMX that are excluded from the redevelopment opportunity areas include the 500-block of Central Avenue between 1st Ave NE and 1st Ave NW, where parcels are currently split-zoned (which rezoning would resolve), and the 600-block between Central Avenue and 1st Ave NW, where Benedictine Living Community (Steeple Pointe) is located. It was noted the Council held the first reading of this Ordinance on April 26.

A motion was made by Johnson, seconded by Stelmach, to approve the Second Reading and adoption of Ordinance No. 2021-2, an Ordinance Amending the Zoning Map by Rezoning Certain Land in the City of Osseo, Hennepin County, Minnesota. A roll call vote was taken. The motion carried 5-0.

A motion was made by Stelmach, seconded by Hultstrom, to adopt Resolution No. 2021-28, authorizing summary publication of Ordinance No. 2021-2, which amended the Zoning Map by Rezoning Certain Land in the City of Osseo, Hennepin County, Minnesota. A roll call vote was taken. The motion carried 5-0.

B. DISCUSS FUTURE STREET AND ALLEY PROJECT

Grams stated at a recent Council meeting the Council heard information regarding a future alley project. At that time, the Council directed staff to investigate any other bituminous paved alleys and to report back with a recommendation. He reported he

worked on this recommendation with Lee Gustafson, WSB & Associates. He stated he was bringing this item forward for the Council to review and discuss.

City Engineer Lee Gustafson, WSB & Associates, reviewed the alleys in the City that still had significant potholes. It was noted eight alleyways were scheduled for replacement in 2022. He commented the City would then have seven more alleyways that still needed replacement after 2022. He stated he had reservations about having 15 alleyways included in one project. He reviewed a map with the Council noting which alleyways have already been reconstructed, those that are slated for reconstruction in 2022, and those not yet scheduled for replacement.

Stelmach supported the seven additional alleyways being completed in a separate project. He questioned if these seven alleyways would make it through another year or two before being replaced. Mr. Gustafson reported these alleyways could be maintained by staff for another year or two before needing replacement. Public Works Director Nick Waldbillig agreed these alleyways could be maintained by staff for the next year or two.

Johnson thanked staff for looking into this and for providing the Council with a recommendation.

Vickerman explained she took a bike tour of the alleyways this weekend. She commented when she was out talking to residents, she heard a lot of people stating their alleyways were just as bad as others. She was of the opinion residents wanted to know when their alleyways would be replaced. She understood 15 could not be completed in one year, but recommended the City communicate with residents when alleyways would be replaced.

Hultstrom reported she also drove every alleyway in Osseo this weekend and met with some residents. She indicated she was under the impression that the alleyways on the west side were bad, but the large potholes were on the ends. She suggested several adjustments be made to the alleyways selected for 2022 to have the project be less scattered. Mr. Gustafson reported the alleyways included in the 2022 project would be determined by the City Council. He reported the two on the west side were in worse condition than any of the other alleyways. Waldbillig discussed how the alleyways were selected for the 2022 project and explained the remaining seven alleyways could be patched.

Hultstrom questioned if the City could add the north and south between 5th and 6th Avenue alleyways (two sections) into the 2022 project. Mr. Gustafson commented if the Council supported this, these two sections could be added. However, he noted he would not add any more than this into the 2022 project. He reported a letter could be sent to the residents along these alleyways to let them know the City understands these alleyways were in poor condition and inform them when their alleyway might be replaced.

Waldbillig cautioned the Council from moving forward with such a large project, concerned that it could not be completed in one season.

Stelmach asked if Councilmember Vickerman would support Mr. Gustafson's suggestion to mail out a letter to residents informing them when their alleyway might be scheduled for replacement.

Vickerman stated this would be beneficial to the residents because it would inform them of the City's intentions and make them aware that their concerns have been heard.

Mr. Gustafson recommended the Council move forward with the 2022 alleyway project as previously presented to not increase costs to the City. He recommended the remaining seven alleyways be completed in 2023 or 2024 and that this information be sent out to the residents living on these alleyways. The Council supported this recommendation.

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF MAY 10, 2021

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable and received additional information about various business assistance programs.

A motion was made by Johnson, seconded by Vickerman, to Confirm the EDA Actions of May 10, 2021. A roll call vote was taken. The motion carried 5-0.

B. APPROVE LIFT STATION PROJECT & WORK PLAN – Lee Gustafson, WSB & Associates

Lee Gustafson, WSB & Associates, stated on January 27, 2020, Council authorized WSB to prepare a lift station condition assessment report. That report detailed conditions and recommended improvements for the City's three lift stations. All three lift stations were originally constructed in 1960, and no significant improvements or upgrades have been done since then. As noted in the January 27 report, City staff was also planning to implement a Supervisory Control and Data Acquisition (SCADA) system. It was determined that it would be the most cost effective and time efficient for this improvement to be added to the lift station improvement project since there are so many components that are interrelated. The proposed improvements for Lift Station No 1, 2 and 3 were discussed in detail with the Council.

Mr. Gustafson explained the proposed improvements will extend the serviceable life of this underground infrastructure, reduce surface water inflow and groundwater infiltration into the system, reduce clogging and maintenance frequency, and enable remote monitoring of facility statuses and alarms.

Mr. Gustafson reported the project was originally going to include SCADA monitoring for the City water interconnects with Maple Grove to obtain real-time water flow measurements coming through those inter-connects. However, through the design process and coordination with the City's water meter contractor, it was determined that the City can add a few components to the new water meters that are being installed at these two locations and obtain the water flow data through the new AMI system vs. the SCADA system. This change in data collection will save the City approximately \$40,000.

Staff commented further on the bid, along with the bid alternates, and recommended the Council accept the bids and award a contract to Minger Construction Companies for the work on Lift Stations 1, 2, and 3 along with the SCADA Improvement Project.

Grams reported City staff had requested State bonding for this project and was working with Representative Kristin Bahner on this item. If bonding were approved the City would then have to fund less of this project from its own funding.

A motion was made by Vickerman, seconded by Johnson, to adopt Resolution No. 2021-29, accepting bids and awarding the contract for the Base Bid and Bid Alternate No. 1 for the Lift Station Nos. 1, 2, and 3 and SCADA Improvements Project to Minger Construction Companies, Inc. A roll call vote was taken. The motion carried 5-0.

C. APPROVE UNDERGROUND STORAGE TANK REMOVAL PROJECT & WORK PLAN –
Lee Gustafson, WSB & Associates

Lee Gustafson, WSB & Associates, stated on January 27, 2020, Council authorized WSB to prepare a lift station condition assessment report. Since that time, WSB has been working with City staff to prepare plans and specifications and obtain bids for the Lift Station Nos. 1, 2, and 3 and SCADA Improvements Project. Council will consider awarding bids for this project on May 10, 2021. After receiving bids for this project, it was noted that there was a pipe sticking out of the ground adjacent to Lift Station No. 1. It was determined that this was a fill pipe for an abandoned underground fuel tank. Underground fuel tanks that are not in service for several years are required to be removed by the MPCA. This underground fuel tank has not been in use for decades.

Mr. Gustafson reported removing the underground fuel tank as part of the overall lift station project works well and will ensure all needed improvements around Lift Station No. 1 are completed. The actual removal process only takes a few days and should be easily coordinated with the Lift Station Nos. 1, 2, and 3 and SCADA Improvements Project contractor. There is a lot of prep and follow up work associated with removing an underground fuel tank. The cost to remove the tank is estimated to be in the range of \$8-12,000. No grants are available for this work. However, if a gas release is identified, some costs could be reimbursed through the Petrofund such as disposing of contaminated soil. Contractor costs for removing the tank are unfortunately not eligible for reimbursement.

Mr. Gustafson explained the proposal from WSB includes coordinating with City staff to prepare a work plan and soliciting quotes from an MPCA-certified UST removal contractor to remove the tank. The contractor will contract directly with the City for the UST removal and site restoration work. During construction, WSB will provide contractor oversight and environmental sampling required by the MCPA. Staff commented further on the project and recommended approval of the engineering proposal with WSB.

Stelmach asked if any brownfield grants could be pursued for this project. Amerman commented on the grants staff investigated for this project. He stated it was his understanding that this tank was not in the brownfield classification. Mr. Gustafson agreed stating this was a relatively small tank.

Johnson questioned if WSB's fee for this project was reasonable given the fact it was as high as the tank removal fee. Mr. Gustafson stated the fee was reasonable. He commented further on the amount of prep work and paperwork that was required for this project.

Stelmach recommended an informational letter be sent to the adjacent residents to inform them of the work that would be done to remove this underground storage tank. Mr. Gustafson stated this could be done, or staff could door knock to inform the residents what would be done.

Hultstrom agreed it would be important for the City to communicate with the surrounding neighbors. She stated she supported the City getting this tank removed.

A motion was made by Hultstrom, seconded by Vickerman, to approve the engineering proposal with WSB & Associates for the underground tank removal. A roll call vote was taken. The motion carried 5-0.

D. APPROVE PURCHASE OF PORTABLE RADAR SPEED SIGNS

Police Chief Shane Mikkelsen explained one of the biggest complaints the police department receives in the summertime was the speed of traffic in the City. He stated mobile speed display units are made by Shield. He discussed the cost for mobile trailers versus solar panel signs. It was noted the portable radar signs can be attached to any pole, and they come with solar panels to keep the battery charged. These displays have a flashing white light that will activate when a vehicle is over the speed limit. Having three displays will assist in being able to hit multiple areas of the city at the same time. These units also can be activated later with software that can be used if we want to do a traffic study or speed study at the cost of \$1,500 per year. It was noted the City has two-speed trailers which are very old and outdated. He requested the Council purchase the solar panel speed signs through All Traffic Solutions.

Johnson questioned if the solar powered panels would work given the number of trees in Osseo. Chief Mikkelsen reported these signs do not take a great deal of solar power and would have a battery attached that could be recharged.

Further discussion ensued regarding the portable radar signs and how they were mounted to sign poles.

Vickerman stated she supported the purchase of the three portable radar signs.

A motion was made by Hultstrom, seconded by Stelmach, to approve the purchase of the Shield 15 Mobile Speed Display Units.

Stelmach explained these radar signs would not replace police patrols and traffic stops in the community. Rather, he stated these signs would provide driver awareness. He questioned why the Chief only received one quote for this project. Chief Mikkelsen explained he has worked with this vendor in the past and they were committed to providing the City with a high-quality product.

Johnson reported this purchase should qualify for a sales tax exemption. Chief Mikkelsen thanked Councilmember Johnson for bringing this to his attention.

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

- E. APPROVE AGREEMENT CONSENTING TO THE ISSUANCE OF REVENUE BONDS BY THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND APPROVING A COOPERATION AGREEMENT (Resolution)

Grams explained in 2013, the City of Shakopee issued notes to refinance projects for Benedictine Health System, including a project located in the City of Osseo (Steeple Pointe). The Duluth Economic Development Authority ("DEDA"), at the request of Benedictine Health System, now proposes to issue obligations to refinance the 2013 notes. Because one of the projects is in Osseo, the City of Osseo must consent to the refunding. The City of Osseo allowed the City of Shakopee/Benedictine Health System the use of part of the City's \$10 million bank qualification limit. Benedictine Health Systems is consolidating many of its bond issuances into a single debt, which has included several other cities in addition to Osseo (including Ada, Byron, Preston, and Spring Valley), that will be issued by the DEDA.

Grams reported in April 2021, the Minnesota Agricultural and Economic Development Board held a public hearing on the issuance of the new bonds, and a notice of the public hearing was included in the Osseo Press to satisfy legal requirements. Osseo's role in this process is limited. The City Council is being asked to adopt a resolution that approves the refinancing of its bonds by DEDA and consenting to DEDA's reliance on the housing program that Osseo adopted at the time it issued its bonds. For DEDA to rely on the housing program, it will need a cooperation or joint powers agreement with the City.

Grams explained staff has reached out to the City's financial consultant group (Ehlers) for review and comments. Rebecca Kurtz reviewed the information and determined that the refinancing of the bonds should be of no concern to the City of Osseo and recommended the City Council adopt the resolution. We also reached out to the City's bond counsel, Taft Law, for review and comments. Mary Ippel reviewed the information and formulated the same recommendation as Rebecca Kurtz. All finance and legal review fees for this process will be paid by Benedictine. Staff commented further on the bond issuance and recommended the Council offer their consent.

A motion was made by Hultstrom, seconded by Johnson, to adopt Resolution No. 2021-30, Consenting to the Issuance of Revenue Bonds by the Duluth Economic Development Authority and Approving a Cooperation Agreement. A roll call vote was taken. The motion carried 5-0.

- F. APPROVE INTERFUND TRANSFERS FOR YEAR ENDING 2020 (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 satisfy the City's best accounting practices. A list of financial transfers suggested by the Finance Department

was discussed in further detail. The Council should consider these transfers and adopt a resolution approving the interfund transfers.

Johnson stated he did not support the proposed transfers because he had some questions that did not get answered. He recommended action on this item be tabled to a future City Council meeting to allow his questions to be answered. He explained he did not understand some of the transfers that were being proposed and he would like to have better answers from staff as to the actions that were being taken. He feared the General Fund would be put into a negative balance. Grams reported a fund balance was completed to ensure there was not a negative balance.

Johnson requested this item be tabled to the May 24 City Council meeting to allow his questions to be addressed by staff.

Stelmach stated he supported this action.

A motion was made by Johnson, seconded by Stelmach, to table action on approving the Interfund Transfers for the Year Ended December 31, 2020, to the May 24, 2021, City Council Meeting. A roll call vote was taken. 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 Vickerman, to approve the Accounts Payable as presented. A roll call vote was taken. The motion carried 5-0.

11. ADMINISTRATOR REPORT

Grams provided the Council with an update on the water meter project. He stated 168 installations have been completed and noted 79 additional installations were scheduled. He noted the final notices for this project would be mailed out this week. He indicated staff was pleased with the progress being made on this project.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Mary Tietjen reported she would be talking with staff about the next steps with respect to winding down some of the COVID restrictions and remote meeting requirements. She explained she wanted to be prepared when the time comes to rescind the local emergencies and resume normal meetings.

Vickerman stated she met with Public Works Director Waldbillig and public works staff members and she got to see the new vacuum truck. She explained she was thankful for the great work the public works department does on behalf of the City.

Hultstrom commented Dave and Rosanna Garibaldi had begun working on the landscaping at the park. She stated it was great to see that spring was here and the park was getting a nice update. Hultstrom reported she would be doing a ride along with a Police Department officer.

Johnson discussed several rental assistance programs that were available through DEED and the federal government and noted a webinar was being held on May 12.

Stelmach wished all mothers a Happy Belated Mother's Day.

13. ANNOUNCEMENTS

Poppe stated the Osseo Vintage Car Show and Craft Fair would be held on Saturday, May 22, from 10 a.m. to 3 p.m.

Poppe reported a citywide garage sale would be held in Osseo on Thursday, May 20, through Sunday, May 23.

14. ADJOURNMENT

A motion was made by Hultstrom, seconded by Vickerman, to adjourn the City Council meeting at 8:45 p.m. A roll call vote was taken. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial