

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
April 25, 2022**

1. CALL TO ORDER

Acting Mayor Stelmach called the regular meeting of the Osseo City Council to order at 7:03 p.m. on Monday, April 25, 2022. 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.

Members absent: Mayor Duane Poppe.

Staff present: City Administrator Riley Grams, Community Management Coordinator Joe Amerman, City Engineer Lee Gustafson (WSB Associates) and City Attorney Mary Tietjen.

Others present: Steve Elrich, City Resident; Anna Plonske, City Resident; Mark Browne, City Resident; Holly Spanier, City Resident; Kristi Kothrade, City Resident; Glen Weakley, Osseo-Maple Grove American Legion Manager; Jerry Johnson, City Resident; Marlene Johnson, City Resident

3. PLEDGE OF ALLEGIANCE

Stelmach led the Pledge of Allegiance.

4. APPROVAL OF AGENDA [Additions - Deletions]

Stelmach asked for additions or deletions to the Agenda.

A motion was made by Hultstrom, seconded by Johnson, to accept the Agenda as presented. A roll call vote was taken. The motion carried 4-0.

5. CONSENT AGENDA

- A. Receive April 11 EDA Minutes
- B. Approve April 22 City Council Minutes
- C. Receive April 18 Planning Commission Minutes
- D. Approve Training Request for City Clerk
- E. Receive March Lions Club Gambling Report
- F. Receive March American Legion Gambling Report
- G. Receive March Hockey Legion Gambling Report
- H. Receive 1st Quarter Donations Report
- I. Accept EDA Resignation from Alicia Vickerman
- J. Approve Hire of Ben Cisewski as Part Time Public Works Seasonal

K. Accept Resignation of Firefighter Jesse Phenow

A motion was made by Hultstrom, seconded by Johnson, to approve the Consent Agenda. A roll call vote was taken. The motion carried 4-0.

6. MATTERS FROM THE FLOOR – None

7. SPECIAL BUSINESS

A. ACCEPT DONATIONS

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
James Vanderheyden	\$25	Police
Harold E. Johnson	\$750	Beautification

Staff recommended the Council accept the donations.

A motion was made by Vickerman, seconded by Hultstrom, to adopt Resolution No. 2022-27, accepting a donation from James Vanderheyden and Harold E. Johnson. A roll call vote was taken. The motion carried 4-0.

8. PUBLIC HEARINGS

A. CONTINUED 2022 ALLEY PROJECT PUBLIC HEARING

Mr. Gustafson stated at the April 11, 2022, Council meeting, the Council held the assessment hearing for this project and adopted a resolution approving the proposed assessments for the 2022 Alley Reconstruction Project. Later, during this same Council meeting, a resident indicated that they had trouble connecting virtually during the assessment public hearing. Council briefly discussed this issue and decided to reopen the public hearing for this project prior to adjournment. Since it was later in the evening, Council decided to also continue the public hearing to April 25 and directed staff to notify affected residents that the public hearing was being continued.

Mr. Gustafson reported staff subsequently checked all assessment notices and directions for participating in the April 11 assessment hearing for the 2022 Alley Reconstruction Project, and confirmed everything was done correctly and that the instructions on the City's website were clear for how to participate in the hearing. This was evident during the assessment hearing because some residents clearly had the capability to participate if they wanted to. Staff did however discover that a resident didn't feel the instructions on the website were very clear on how to participate.

Mr. Gustafson explained notices of the continued public hearing were sent out on April 18 and included detailed directions for how to participate virtually in the continued public hearing. The notice also included an in-person option for participating in the meeting. The in-person option involves participating virtually from the Council Chambers. Staff was present in the Chambers and provide assistance for those that want to participate virtually from a city computer. Since everything was done correctly

at the April 11 meeting, there are no recommendations for changes to any actions the Council took that night. Staff commented further on the project and recommended the Council take comments from the public.

Stelmach continued the Public Hearing and opened for public comment.

Steve Elrich, 516 2nd Avenue NW, stated two-thirds of his alley was 10 inches thick. He questioned why repairs could not be paved versus replacing the entire thing. He asked if the entire level of the alleyway would be raised to address the water concerns. Mr. Gustafson discussed the core samples that were taken from the alleyways and noted all were recommended for reconstruction. He reported this would address the water concerns. He commented further on how the alleys would be designed to force water back to an adjoining street. He discussed how destructive it was to have water sitting on pavement over long periods of time.

Mr. Elrick indicated the alleyway was 12 feet wide currently. He questioned if the new alley would cover the easement as well. Mr. Gustafson commented all of the alleys would be 12 feet wide and six inches thick with gravel underneath. He explained the City would be patching in the driveways with like material from the edge of the alleyway to the existing driveway.

Mr. Elrick inquired if property values had to increase by the same amount as assessments. Mr. Gustafson indicated the amount of the assessment does have to raise property values by the assessed amount.

Mr. Elrick did not believe his property value would increase by \$5,000. Mr. Gustafson stated the City does believe property values will be increased by this amount. City Attorney Tietjen commented there is no requirement for cities to do individual appraisals for specific properties. She reported these values are based on many years of experience with similar projects and are based on reasonable assumptions. She indicated there were not legal requirements to do specific reports or analysis on any given property. She advised the City believes the amounts are reasonable. She stated there were processes and procedures in place for residents who disagree and would like to raise an objection.

Mr. Elrick asked if for further information regarding the senior deferral program. Grams encouraged Mr. Elrick to contact him to learn more about this process.

Anna Plonske, 205 5th Avenue NE, commented on the letter that was sent out. She noted it was dated around the first or second week of March. She questioned when markers would be put in place for the alleyway to indicate the easement. She indicated she had some permanent structures near the alleyway and this was a concern for her. Mr. Gustafson stated the alleyway would be staked prior to construction. He explained the City would not be staking every property at this time for cost saving reasons. He reported if right-of-way acquisition was necessary he would meet with residents to identify each property. He encouraged residents to contact him if they think they have issues.

Ms. Plonske requested staff come out and stake her property.

Mark Brown, 500 3rd Avenue NW, commented on the letter he was sent from the City. He noted his garden fence would be impacted by the proposed project. Mr. Gustafson stated he would be willing to have a separate meeting with Mr. Brown to address his concern.

Holly Spanier, 208 4th Avenue NE, inquired if there were other assessments that would be coming to residents.

Ms. Spanier asked about the longevity of the concrete alleyways. Mr. Gustafson stated concrete was the most cost effective option when compared to bituminous.

Ms. Spanier questioned when the alleyways would be marked. She noted she would not sign the easement paperwork until the markings were in place. Mr. Gustafson reported he could meet her out there and could mark the property. He noted this was generally easy to do.

Mr. Gustafson requested that all residents that would like to meet with him provide him with their email address or phone number.

Kristin Kothrade, 509 5th Avenue NE, explained she was excited to have her alleyway done. She questioned when a project schedule would be done. Mr. Gustafson indicated the project would be awarded at the end of May and after a meeting was held with the contract, staff would have a better idea when each alleyway would be completed. He commented further on how alleyways are completed and estimated each would take two weeks to complete once they are started.

Mark Browne, 500 3rd Avenue NW, asked what residents should do with their garbage cans for two weeks. Mr. Gustafson reported the City will contact the garbage hauler and pickups for those two weeks will be on the street.

Anna Plonske, 205 5th Avenue NE, inquired how maintenance and panel replacements are handled in the future for alleyways. Mr. Gustafson stated standard maintenance was paid for by the City.

Glen Weakly, Osseo-Maple Grove American Legion Manager, discussed the assessed rate for his alleyway stating it changed from \$80 to \$82 per foot. Mr. Gustafson reported he would have to look into this further.

Mr. Weakly reported he was being assessed for the entire property line, noting 80% of this was a parking lot. He requested the Council discuss this matter and consider offering relief to the Osseo Maple Grove Legion because this was a non-profit in the community. He indicated the amount of donations provided to the City would go down this year if the legion had to pay this full assessment. Mr. Gustafson indicated the exact cost for the alleyway will be in the assessment notice, and this amount would be correct. He stated he knows this alleyway well as he has walked the work site. He explained the new alley would be a heavy duty pavement that would hold up well to heavy truck traffic.

A motion was made by Hultstrom, seconded by Vickerman, to close the Public Hearing at 7:53 p.m. A roll call vote was taken. The motion carried 4-0.

Mr. Gustafson encouraged the residents with questions to contact him with any other comments or concerns they may have regarding the alleyway project.

Hultstrom asked when assessments could be paid without an interest fee. Grams reported the due date was May 12, and all payments made after that date would accrue interest.

Mr. Elrick questioned what the interest rate would be for the assessment. Grams reported he was uncertain at this time because the project has not been sent out for bonds. Mr. Gustafson explained the interest rate would be 2% above the bond interest rate.

City Attorney Tietjen encouraged residents to read their assessment notices as all of this information was available regarding the upcoming project.

9. OLD BUSINESS

A. CONSIDER ECONOMIC DEVELOPMENT AUTHORITY APPOINTMENT

Grams stated at the meeting on March 14, 2022, the Council accepted the resignation of EDA member Sherry Murdock; the term expires 12/31/2025. The vacancy was included in the March Council meeting announcements. EDA member Alicia Vickerman submitted a letter of resignation on April 11, 2022; the term expires 12/31/2024. There are also two vacancies on the Historical Preservation Committee. Staff reported the Council tabled action on this item at the April 11, 2022, City Council meeting until the April 25, 2022 meeting. It was noted staff had Letters of Interest for this appointment and a resolution that indicates where appointments are needed.

A motion was made by Hultstrom, seconded by Johnson, to adopt Resolution No. 2022-28, appointing Ashlee Mueller (term ending 12/31/2024) and Kenny Nelson (term ending 12/31/2025) to the Economic Development Authority.

Stelmach noted he spoke with Ashlee Mueller prior to this meeting, but noted it had been difficult to connect with Kenny Nelson prior to the meeting and this concerned him.

Vickerman commented she arranged a call with both individuals via email. She explained after speaking with Mr. Nelson she understood Monday's were good days for him to attend meetings.

Hultstrom reported both candidates reached out to her. She believed that both candidates would serve the community well.

Johnson indicated he spoke to both candidates and he supported both individuals serving on the EDA.

A roll call vote was taken. The motion carried 4-0.

10. NEW BUSINESS

A. APPROVE CHANGE ORDER NO. 3 FOR LIFT STATION NOS. 1, 2, 3 AND SCADA IMPROVEMENT PROJECT – Lee Gustafson, WSB & Associates

Lee Gustafson, WSB & Associates, stated Lift Station Nos. 2 and 3 were successfully started up on November 17, 2021, and all that remains at these locations is final site restoration. As discussed at the Council meeting on November 22, 2021, the majority of the work at Lift Station No. 1 was postponed due to pump manufacturing and shipping and overhead power line relocation delays. However, preliminary electrical and building work was in progress over the winter to prepare for early spring construction.

Mr. Gustafson reported on February 28, 2022, the Council adopted Change Order No. 2 that included additional costs for an enlarged floor opening and roof opening at Lift Station No. 1. This additional work would allow the new 40HP pumps to be pulled directly upwards through the floor and roof, thereby facilitating pump maintenance and reducing both staff and pump service maintenance hours.

Mr. Gustafson explained since there are no as-built plans of this lift station, one of the conditions of the enlarged floor opening was that WSB would have the opportunity to review the existing concrete slab reinforcement after the floor was cut open to make certain the enlarged floor opening would be structurally sound. Instead of waiting for the floor to be cut open to view the reinforcement, WSB performed a ground penetrating radar (GPR) scan of the existing slab on April 11, 2022, as soon as the site was accessible again to locate and quantify the existing reinforcement. The results of the GPR scan and the structural engineer's analysis of the existing reinforcement determined that the floor lacked structural strength to support the floor changes, and that a structural steel channel support frame would be necessary underneath the floor slab - around the perimeter of the opening as shown in Sheet S1.

Mr. Gustafson commented the estimated cost of this work exceeds the remaining construction allowance, so it is recommended to execute Change Order No. 3 for the full amount of the work completed. Any construction allowance amount remaining at the end of the project will be credited back to the City. The project completion dates, both substantial and final, were extended to May 31, 2022, by Change Order No. 1, to allow for early spring construction at Lift Station No. 1 due to pump manufacturing and shipping and overhead power line relocation delays. No additional changes in the completion dates are anticipated at this time. Staff commented further on the project and recommended approval of the change order.

Vickerman asked how the reinforcement measures would be installed on an existing building. Mr. Gustafson explained the concrete floor would be cut into, steel beams would be put under the floor and would be attached to the outer walls.

A motion was made by Vickerman, seconded by Hultstrom, to adopt Resolution No. 2022-29, approving Change Order No. 3 for Lift Station Nos. 1, 2, and 3 and SCADA Improvements Project. A roll call vote was taken. The motion carried 4-0.

B. APPROVE CONDITIONAL USE PERMIT FOR BREWERY AT 332 CENTRAL AVENUE

Amerman stated Brian, Ian, and Joe come from extensive backgrounds in brewing and associated industries. With over 40 years of combined experience, they have identified Osseo as an attractive environment for opening their own brewery and taproom. They have found a space owned by the Dickinson's and Zephyr Investments at 332 Central Ave which they believe will suit their needs. A site plan application with the aim of building out that space was approved by the City Council at their February 28, 2022, meeting. At that time the Dickinson's were still finalizing an agreement with an unnamed brewery, which has now been identified as Thelema.

Amerman explained breweries with taprooms, like Thelema, are governed by Minn. State. § 340A.26, which allows cities to provide on-site malt liquor licenses to state-licensed brewers. This statute does limit issuing licenses to brewers producing less than 250,000 barrels per year (for reference, at 248 pints per barrel that is 62 million pints). Thelema has indicated that they anticipate brewing approximately 1,250 barrels by the end of their third year, which is clearly well within state guidelines.

Amerman reported the relevant portions of Osseo code, adopted in 2018, mirror state statutes and provide a process for issuing licenses. However, the code does not explicitly lay out any other requirements or standards for breweries, brewpubs, and taprooms. So, while elevations and floor plans are included to help visualize the arrangement of the space, specific details are not germane to the consideration of this application. As stated, the property is owned by Zephyr Investments. To the north is Union Speed and Style, to the south is Deans Super Market, and to the east are residential properties. The property will face Central Ave to the west. This is the first Conditional Use Permit application to be considered for this use in the city of Osseo. Staff commented on the request further, detailing the City's parking requirements in the Central Business District and reported the Planning Commission recommends approval of the request.

Vickerman asked if the six standards for granting a CUP was separate from suggested conditions. Amerman reported this was the case. He explained the six standards were used to evaluate the request and the conditions were specific for this case.

Vickerman commented she spoke with one of the applicants today and she believed this would be a great addition to the Central Business District. She appreciated the fact the integrity of the original building would be maintained.

Johnson thanked the Dickinson brothers for restoring a piece of Osseo's history at both their building and this building. He then commented on the role of the City Council and discussed how CUP's attach to properties. He indicated CUP's can take some authority away from the City. For this reason, he believed it was important for the City and the applicant to have a clear intention of what would be occurring on the property. He recommended a solid fence be put in place on the south side of the patio area next to the driving lane next to the Dean's parking lot.

Stelmach asked what the purpose of the fence would be.

Johnson stated the fence would divide the brewery patio from Dean's parking lot and would protect pedestrians in the patio area.

Stelmach requested comment from the applicant on this matter.

Jesse Dickinson, property owner, agreed with Councilmember Johnson's concerns and stated he wanted something put in place to protect individuals on the patio and those using the parking lot. He explained he had no problem incorporating something into the building design to address this concern. He reported the patio area had to be contained either way per State Statute.

Brian Lasley, applicant, recommended some sort of structure be put in place as well for safety reasons.

Hultstrom stated she was so excited to see this business coming to the City of Osseo. She thanked the Dickinson brothers for all of their work on their two buildings. She indicated the brewery would be a great add to the community and she wished the applicants all the best in their new endeavor.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-30, granting request from the Thelema Brewing Company for a Conditional Use Permit to allow a Brewery and Taproom at 332 Central Avenue.

Hultstrom recommended a condition be added requiring the applicants to install a barrier around the patio area.

Vickerman stated she would like further clarification on this item as well and asked if the conditions recommended by Staff were included in the motion for approval.

Hultstrom withdrew her motion for clarity purposes.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-30, granting request from the Thelema Brewing Company for a Conditional Use Permit to allow a Brewery and Taproom at 332 Central Avenue with conditions as proposed by staff adding Condition 4: Requiring the applicants to install a barrier around the patio area. A roll call vote was taken. The motion carried 4-0.

C. APPROVE CONTRACT WITH WALTERS RECYCLING AND REFUSE FOR SOLID WASTE SERVICES

Grams stated the Council approved an RFP process to solicit responses for City solid waste collection services. The City received a total of three responses. At the work session on March 28, the Council reviewed the responses and ultimately selected Walters Recycling and Refuse and directed Staff to negotiate a new 5-year contract with the hauler. Working with Attorney Tietjen, Staff drafted and negotiated a contract for City solid waste collection services. The contract is set to commence on May 1, 2022, and expire on April 30, 2027. The contract spells out the terms of the services provided by Walter's. A representative from Walters' was present at the Council meeting to help answer any questions the Council may have.

Jeff Newsom, Director of Sales and Service at Walters, thanked the Council for the opportunity to serve its residents. He explained Walters was still a locally owned and operated company. He reported Walter's serves 65,000 residents each week in the

metro area and has 140 employees. He noted the service day in Osseo would be changing to Monday and organics/trash would begin being picked up on May 2. He reported carts would be delivered this week. He discussed how Walters bills, noting this would be done quarterly. He commented on the mailer that was sent to Osseo residents about the changes and encouraged residents with questions to contact Walter's or to visit their website with any comments or questions.

Hultstrom stated Osseo residents would be receiving a final bill from Republic, along with a utility bill and new garbage bill from Walter's all at the same time. She requested further information regarding Walter's billing process. Mr. Newsom commented further on Walter's billing process and noted residents would have 30 days to pay their bills.

Johnson questioned what the 10% surcharge is. Mr. Newsom reported the 10% surcharge is collected to help with the cost for the spring cleanup.

Hultstrom asked if delinquent accounts would be put on property taxes at the end of each year. Grams indicated this practice would continue.

Mr. Newsom commented on a new app that was being created that would send reminders to customers about their garbage and recycling pick up days. He stated he would like to have an article printed in the City's newsletter once this app was ready for Osseo customers.

A motion was made by Vickerman, seconded by Johnson, to adopt Resolution No. 2022-31, entering into a 5-year contract with Walter's Recycling and Refuse for City solid waste collection services. A roll call vote was taken. The motion carried 4-0.

D. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

A motion was made by Johnson, seconded by Hultstrom, to approve the Accounts Payable as presented. A roll call vote was taken. The motion carried 4-0.

11. ADMINISTRATOR REPORT

Grams recognized Jessie Phenow for his service to the Osseo Fire Department and thanked him for his 29 years of dedicated service to the community.

12. COUNCIL AND ATTORNEY REPORTS

Johnson reported 2025 would be the City's 150-year anniversary. He supported the City beginning to plan for this event.

Hultstrom thanked Jessie Phenow for his 29 years of service to the Osseo Fire Department. She welcomed Ben Cisewski to the Public Works Department. She also welcomed Ashlee Mueller and Kenny Nelson to the EDA. Lastly, she welcomed Thelema Brewing to the City of Osseo.

Stelmach reported Walter's would begin trash pickup in Osseo on May 2 and recycling would be picked up on May 9. Stelmach explained Republic would be picking up empty sanitation carts at the curb between April 26 and April 28.

Vickerman reported the Blue Line Extension group met last week and a route was released to the public. She commented on the proposed route and encouraged residents to review the route online and provide the Met Council with feedback.

13. ANNOUNCEMENTS

Stelmach reported the Citywide Garage Sale would be held Thursday, May 19 through Sunday, May 22. Maps for the garage sales will be available on Tuesday, May 17.

Stelmach encouraged residents to participate in the Step To It Challenge from May 1 through May 28.

Stelmach stated volunteers are needed to drive the Osseo Express Trolley. Those interested in helping were encouraged to contact City Hall for further information.

14. ADJOURNMENT

A motion was made by Hultstrom, seconded by Vickerman, to adjourn the City Council meeting at 9:16 p.m. A roll call vote was taken. The motion carried 4-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial