

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
July 11, 2022**

1. CALL TO ORDER

Acting Mayor Stelmach called the regular meeting of the Osseo City Council to order at 7:12 p.m. on Monday, July 11, 2022.

2. ROLL CALL

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

Members absent: Mayor Duane Poppe.

Staff present: City Administrator Riley Grams, Community Management Coordinator Joe Amerman, Alyson Fauske, WSB & Associates, Rebecca Kurtz, Elhers & Associates, and City Attorney Mary Tietjen.

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 Vickerman, to accept the Agenda as presented. The motion carried 4-0.

5. CONSENT AGENDA

- A. Approve June 15 Work Session Minutes
- B. Approve June 27 Work Session Minutes
- C. Approve June 27 Council Minutes
- D. Receive June Building Report

A motion was made by Johnson, seconded by Vickerman, to approve the Consent Agenda. The motion carried 4-0.

6. MATTERS FROM THE FLOOR – None

7. SPECIAL BUSINESS

- A. RECEIVE UPDATE ON 2022 ALLEY RECONSTRUCTION PROJECT – Alyson Fauske, WSB & Associates

Alyson Fauske, WSB & Associates, provided the Council with an update on the 2022 Alley Reconstruction Project. She explained work continues on five alleys and the contractor has been very motivated to complete this project. She reported additional moisture testing was completed to ensure good compaction was in place. She discussed the door hangers that had been put in place to inform residents when demolition would begin.

Vickerman stated she heard from several neighbors and was asked when the door hangers went out. Ms. Fauske explained she was trying to give residents two days' notice prior to the alleyways being demolished.

Vickerman questioned if the contractor was being receptive to the communication request from Staff. Ms. Fauske explained the City cannot tell a contractor means and methods. She indicated the contractor has been doing handwork with the concrete and Staff was working with him on this. She commented further on how there has been delays in the project because several panels had to be removed and replaced due to drainage concerns. She discussed how the elevation or grade of the alleyways was addressed through this project.

Hultstrom inquired which alley was behind the Legion, noting there was quite a bit of water standing in this alleyway. Ms. Fauske reported this was Alley two. She noted she would investigate this further.

Hultstrom thanked Ms. Fauske for the update and for letting the public know that the concerns that had been raised were being addressed. Ms. Fauske encouraged the Council to direct any future questions to herself or Andrew Senyonjo, the inspector on the project.

8. PUBLIC HEARINGS – None

9. OLD BUSINESS – None

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF JULY 11, 2022

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable and received an annual tax increment financing (TIF) presentation from Ehlers.

A motion was made by Johnson, seconded by Vickerman, to Confirm the EDA Actions of July 11, 2022. The motion carried 4-0.

B. ADOPT PARAMETERS RESOLUTION FOR SALE OF GENERAL OBLIGATION BONDS, SERIES 2022A – Rebecca Kurtz, Ehlers

Rebecca Kurtz, Ehlers & Associates, stated the proposed tax-exempt bond sale of \$3,690,000 would finance public improvements within the City of Osseo for the 2023 Street Improvement Project, the 2022 Alley Improvement Project and for the Sewer Lining Project. She explained she had recommended the bonds be rated through Standard & Poor's, but unfortunately Standard & Poor's could not meet the City's

request. She reviewed the proposed parameters Resolution and noted the final bond results would be available for the Council to approve on July 25, 2022. She indicated the proposed bond sale date would be Tuesday, July 19, 2022, which would allow for a rating from Standard & Poor's.

Johnson indicated more than half of this bond issuance was for the 2023 street improvement project. He anticipated these funds could be invested, but that the interest rate on the bonds would be higher than the interest that could be gained on the investment. Ms. Kurtz discussed the efficiencies of doing one bond issuance versus two and commented on how the interest rate on bonds was predicted to increase over the coming year. She reported she could discuss investment options with Staff.

Johnson stated he believed the sewer lining project bid was too high. He questioned how the bond sale would be impacted if this project came in lower than estimated. Ms. Kurtz explained an addendum to the official statement could be made in order to adjust the bond sale.

Stelmach inquired if the proposed Resolution empowered Staff to adjust the numbers. Ms. Kurtz reported this was the case. City Attorney Tietjen agreed noting she did not draft this Resolution, but she noted the Resolution included a not to exceed amount.

Hultstrom asked what would happen if the projects could not be completed for \$3.69 million. Ms. Kurtz explained the \$3.69 million was based on the proposed costs for the three projects as of June 13, 2022, with an interest rate of 3.5%. She discussed how interest costs could be higher than estimated, but noted the principal amount was based on the actual project costs.

Hultstrom expressed concern with the fact the sewer lining project costs were coming in higher than anticipated. She feared this would impact the bond issuance. Ms. Kurtz commented further on how the parameters Resolution would address this concern. She indicated this project could move forward at a higher cost and the language within the parameters Resolution could be amended in order to allow the bond issuance to still occur on July 19, 2022.

Hultstrom asked if the City could wait and sell the bonds on July 25, 2022. Ms. Kurtz stated this could occur, but the bond funding would then not be available until late-August. Grams indicated Staff was hoping to have funds in hand by early-August to pay the alley contractor.

Hultstrom stated she was struggling with the fact the City would be borrowing money ahead. She supported delaying this bond issuance and suggested collected assessments be used to make the first payment to the alleyway contractor. Ms. Kurtz commented the City may not have enough assessment revenue to make this first payment to the contractor.

City Attorney Tietjen reported the Council could make a motion to postpone action on this item until Item 10C was addressed. Grams indicated this would allow the Council to take action on the sewer lining project, prior to approving the bond sale.

A motion was made by Hultstrom, seconded by Johnson, to postpone action on Item 10B to after Item 10C. The motion carried 4-0.

C. ACCEPT BIDS AND AWARD CONTRACT FOR 2022 SEWER LINING PROJECT –
Alyson Fauske, WSB & Associates

Alyson Fauske, WSB & Associates, stated the 2022 sanitary sewer lining project consists of lining approximately 20,135 lineal feet of sanitary sewer pipe in the south and east 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 sewer televising. Staff commented further on the proposed project, detailing the proposed bid amounts along with the funding options and recommended the Council accept the bids and award the contract.

Johnson indicated he would not be supporting this project. He expressed concern with the fact the City only received two bids. He stated he was also concerned with the time of year this project was bid. He recommended this project be delayed and rebid in December of 2022.

Hultstrom explained she shared some of Councilmember Johnson's concerns. She reported she had concerns using the City's utility funds to cover the overage for this project. She commented how the City sets its utility rates in order to cover future projects. She suggested rebidding this project at a future time in order to receive a more favorable result.

Stelmach requested further information from Staff regarding the utility fund. Grams reported the utility fund was healthy at this time. He explained the utility fund could support the \$104,000 overage. He noted this fund was the City's best way to fund infrastructure projects.

Stelmach questioned if a utility hike would be required in order to replenish the utility fund. Grams stated this was a tough question to answer at this time. He commented further on how water usage was up last year and how this increase the amount of revenue coming in to the City. He reported the City would be reviewing its utility rates again at the end of 2023.

Grams commented on a grant the City had applied for from the Met Council and noted the City may lose these funds if the project was pushed off to 2023.

Vickerman inquired how the project financing would be impacted if the project were pushed past December 2022. Grams explained the City had applied for and received a \$52,000 grant to assist with this project in 2022. He indicated he would have to see if these grant funds could roll over to 2023 or if they would expire at the end of 2022.

Vickerman asked if Hydro-Clean would be available to complete this project in January of 2023. Ms. Fauske stated she would have to investigate this further with the vendor but she understood they did have projects lined up through the end of the year.

Stelmach questioned how long the City would wait to complete this project. Ms. Fauske stated she was uncertain of the stresses noted within these pipes. She commented over time there was a likelihood this could get worse.

Stelmach stated he appreciated this conversation and explained he appreciated the fact that the Council was investing in the City's infrastructure. He indicated if this project were delayed the Council would run the risk that other complications could occur. Ms. Fauske reported this was the case, and noted the Council would also have the extra cost of rebidding the project.

Stelmach explained he was in favor of moving the project forward at this time, due to the uncertainty of the market. In addition, he supported the project moving forward in order to take advantage of the grant funding and because the City had a healthy balance in the City's utility fund.

Vickerman stated she was in agreement with Acting Mayor Stelmach, especially give the pre-work that has been done and grant funding that was in place for this project. She reviewed the line items for the sewer lining expense and requested further comment from staff. Ms. Fauske discussed the mobilization and traffic control fees that were included within the sewer lining project.

Vickerman commented on how a sewer failure would impact the City and indicated this project would move the City away from this possibility.

Hultstrom asked if Insituform was a reputable contractor. Ms. Fauske stated she did have experience working with this vendor and they were a reputable contractor.

A motion was made by Vickerman, seconded by Hultstrom, to adopt Resolution No. 2022-44, accepting bids and awarding the contract for the 2022 Sewer Lining Project. The motion carried 3-1 (Johnson opposed).

B. ADOPT PARAMETERS RESOLUTION FOR SALE OF GENERAL OBLIGATION BONDS, SERIES 2022A – Rebecca Kurtz, Ehlers - CONTINUED

Stelmach directed the Council back to the general obligation bond sale. Ms. Kurtz commented on the proposed bond sale and noted she was available for further comments or questions.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-45, approving a parameters Resolution for the sale of General Obligation Bonds, Series 2022A. The motion carried 3-1 (Johnson opposed).

D. APPROVE UPDATE TO THE COMMUNITY CENTER POLICY

Amerman stated based on the direction of the Council earlier this year, Staff has recently conducted a comprehensive review of the City's Community Center Rental Policy and enumerated possible changes to the policy based on meetings with key Staff, and a survey of similar facilities in peer cities. These changes were then brought to the

Council for discussion at the May 23, 2022, work session. Staff reviewed the proposed changes to the policy in further detail with the Council and recommended approval.

Grams reported he spoke to Ann and she was not comfortable being paid \$100 per weekend and requested the payment be dropped to \$80.

Stelmach stated he supported keeping the payment at \$100 per weekend.

Hultstrom concurred.

A motion was made by Hultstrom, seconded by Vickerman, to approve the proposed changes to the Community Center Policy. The motion carried 4-0.

E. APPROVE ELECTIONS ASSISTANT POSITION DESCRIPTION

Grams stated this position would assist the City Clerk and Staff prior to both the primary and general election with absentee voting and in preparation for the elections by assisting with equipment testing, helping to prep other materials, and other duties as assigned. This position will help Staff to continue to complete their daily tasks, better assist residents with voting, and continue to train and learn Tyler Technologies, which impacts several other daily processes for all Staff. City Administrator Grams and City Clerk Jones met with the HR Committee on July 29, 2022, to discuss the position and how the position would be funded. Staff commented further on the proposed position and recommended the Council approve the posting for the Elections Assistant position.

Johnson explained he would be voting against this item. He did not appreciate the fact staff was using the Tyler Technologies software as a reason for needing more staff. He stated he did not believe the City needed a part-time staff member to help with elections given the fact this was not a general election year.

Vickerman indicated she went over this request with City Administrator Grams and Councilmember Hultstrom. She reported there was a need due to the changes that have occurred with elections and voting. She stated the new voting options were extensive.

Hultstrom questioned if Staff was seeing more in person voting at City Hall. Amerman stated he had not seen an increase yet, but Staff anticipated this would change during the general election when voting would occur September- November. Grams noted the part-time elections assistant position would only be hired to assist the City September 23 - November 7, 2022.

A motion was made by Hultstrom, seconded by Vickerman, to approve the Elections Assistant Position Description.

Stelmach questioned how many hours per week the elections assistant would work for the City. Grams stated this would depend on the needs of in-house Staff. He estimated the individual would work 20 hours per week at the most.

Hultstrom stated she appreciated the fact the City would be pursuing this position in a non-presidential election year as this would assist the City in preparing for future elections.

Stelmach estimated this part-time position would cost the City \$2,700. He explained he supported the City posting and hiring for this position.

The motion carried 3-1 (Johnson opposed).

F. APPROVE POSTING OF ELECTIONS ASSISTANT POSITION

Grams stated in the previous agenda item, the background for the creation of the Election Assistant position was given. This position will be posted as open until filled and Staff hopes to have a candidate selected for Council approval at the July 25, 2022, Council meeting.

A motion was made by Hultstrom, seconded by Vickerman, to approve posting the Elections Assistant Position. The motion carried 3-1 (Johnson opposed).

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. The motion carried 4-0.

11. ADMINISTRATOR REPORT – None

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen reported the State legislature recently authorized the sale of THC edibles. She indicated she would be speaking with Staff regarding this matter in order to address a City's authority in regulating these items.

Hultstrom indicated she would be serving with the League of Minnesota Cities Human Resources and Data Practices Committee tomorrow. She anticipated this would be an active group in the coming months.

Vickerman explained she attended a bus tour of the revised Blue Line route. She commented on how important it would be to make this route pedestrian friendly and connected.

13. ANNOUNCEMENTS

Stelmach encouraged the public to attend Music and Movies in the Park on Tuesday, July 12 at 7:00 p.m. where Led Penny will be playing and Clifford the Big Red Dog will be screened at dusk.

Stelmach explained the Osseo farmers market opens July 12, 2022, and would run each Tuesday from 3:00 p.m. to 7:00 p.m. and in September from 3:00 p.m. to 6:30 p.m.

Stelmach reported the Osseo Trolley was back in service Monday through Thursday from 9:00 a.m. to 2:30 p.m.

14. ADJOURNMENT

A motion was made by Hultstrom, seconded by Johnson, to adjourn the City Council meeting at 8:44 p.m. The motion carried 4-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial