

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
September 12, 2022**

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, September 12, 2022.

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, Police Chief Shane Mikkelsen, Monica Hile, Vice President WBS & Associates, Emily Brown, WBS & Associates, and City Attorney Mary Tietjen.

Others present: Jason Alexander, City Resident; Tiffany Briggs, City Resident; Kelsey Schwartz, City Resident; JP Awad, City Resident; John Hall, City Resident; Sonita Nelson, City Resident; Kenny Nelson, City Resident; Jason Rotler, City Resident; Katie Rotler, City Resident; Lee Fundanet, City Resident; Lettie Fundanet, City Resident; Tom Johnson, City Resident; Sheryl Johnson, City Resident; Jim Mikolai, City Resident; Cary Rasmussen, City Resident; Joe Todd, City Resident

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.

A motion was made by Stelmach, seconded by Hultstrom, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

- A. Approve August 22 Council Minutes
- B. Approve August 23 Work Session Minutes
- C. Approve August 29 Work Session Minutes
- D. Approve Hire of Laura Busse for Temporary Elections Assistant Position
- E. Receive July and August Building Reports
- F. Receive August Lions Club Gambling Report
- G. Receive August American Legion Gambling Report
- H. Accept Resignation of Police Reserve Officer Zach Prokosch

A motion was made by Johnson, seconded by Hultstrom, to approve the Consent Agenda. The motion carried 5-0.

6. MATTERS FROM THE FLOOR

John Hall, 808 Third Street NE, stated the City recently changed the refuse hauler. He questioned how much it would cost the City to join the Maple Grove Yard Waste Recycling Center. He indicated this may be a better option for Osseo residents because Walter's has restrictions on yard waste. He discussed the City's enterprise funds and how the utility rates had increased. He stated it now cost Osseo residents more to get rid of their waste water than to bring it to their house. He commented on the rates charged by neighboring cities and encouraged the Council to see if any improvements could be made. He discussed the sidewalks that were being considered in the 2023 Street Reconstruction project and noted he was against them. He explained there were very few people that walked down his street and recommended they not be pursued. He commented on the ADA requirements and indicated any sidewalk that had risen one-quarter of an inch was a trip hazard. He believed there were trip and fall hazards all over the City. He questioned who would be responsible if someone were to trip and fall on a residential property. He anticipated the City would be at fault. He encouraged the City to take care of the sidewalks they already had in place or to install sidewalks surrounding the high school versus installing sidewalks that go nowhere.

Kenny Nelson, 509 Third Avenue NE, asked if sod would be replaced for everyone within the 2019 street project or just on the boulevard. He questioned if MNDOT has looked to increase the street base given how much heavier electric vehicles would be versus gas vehicles. He inquired if the City had looked to a rolled curb versus the existing curb.

Lee Fundanet, 25 Eighth Avenue NE, stated he and his wife walk a lot in the community and they talk about sidewalks in the City. He explained he appreciated the fact he could voice his opinion about this matter and noted he and his neighbors were against the sidewalks along his street. He commented on the disrepair of the existing sidewalks in the City. He recommended the City put the proposed sidewalks on pause and install them elsewhere in the community.

Joe Todd, 16 Eighth Avenue NE, stated he agreed with Mr. Hall. He questioned what thought went into the sidewalks and where they would be placed. He asked if the water shut offs would be within the sidewalk. He stated he was concerned about having to shovel a sidewalk if it was back to curb. He recommended further thought go into the proposed sidewalks give the cost to properly upkeep and maintain the sidewalk system.

Jason Alexander, 801 Broadway Street, explained he lived next to Joe and adjacent to the freeway. He reported he has asked people to not walk along the freeway because this scared his children. He discussed how he has maintained this property for the past 17 years and believed a sidewalk in this location was a waste of money.

Katie Butler, 109 Eighth Avenue NE, stated she had two children and she did not believe they would ever use sidewalks if installed on her street. She explained her children biked the neighborhood on the streets. She believed the City should spend its resources elsewhere and should not install sidewalks along her street.

7. SPECIAL BUSINESS

A. ACCEPT DONATIONS

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Harold E. Johnson	\$750	Beautification
Osseo Fire Relief Association	\$225	Fire Equipment

Staff recommended the Council accept the donations.

A motion was made by Stelmach, seconded by Hultstrom, to adopt Resolution No. 2022-50, accepting a donation from Harold E. Johnson and the Osseo Fire Relief Association. The motion carried 5-0.

8. PUBLIC HEARINGS – None

9. OLD BUSINESS – None

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF SEPTEMBER 12, 2022

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable, received an update on the Osseo Urban Townhomes and received an update on the proposed Hall Sweeney apartment development.

A motion was made by Johnson, seconded by Vickerman, to Confirm the EDA Actions of September 12, 2022. The motion carried 5-0.

B. APPROVE FEASIBILITY REPORT FOR 2023 STREET RECONSTRUCTION PROJECT – Emily Brown, WSB & Associates

Emily Brown, WSB & Associates, stated the 2023 Street Reconstruction Project consists of replacement of the pavement, full curb replacement and minor utility improvements to the following streets:

8th Avenue NE	9th Avenue NE	3rd Street NE
1st Street NE	Broadway Street E	North Oaks Drive

Ms. Brown stated the Feasibility Report includes an option to install a new sidewalk on 3rd Street NE, 8th Avenue NE, 1st Street NE and 9th Avenue NE. The project also includes pavement replacement for 1½ Street NE and the mill and overlay of the County Road 81 Service Road and 1st Street NW. The optional sidewalk installation analysis was reviewed in detail. The estimated project costs and funding were discussed. The project timeline was reviewed. She commented further on the utility improvements that would be completed and recommended the Council receive the feasibility report and call for the improvement hearing for the 2023 Street Reconstruction Project.

Hultstrom clarified that the City does not own the land between the sound wall along Broadway Street. Ms. Brown reported she understood this property was owned by MNDOT.

Hultstrom commented she did not support a sidewalk being installed along the soundwall. She anticipated public works would have a difficult time clearing this sidewalk. She was of the opinion the proposed sidewalks for this project did not make sense because the sidewalks would lead to dead-ends. She suggested a mill and overlay project be considered for this entire project area. She noted the proposed assessments were 33% higher than the assessments from 2020. She feared how residents would be impacted by these assessments. She expressed concern with the issues the City has had with the last few projects WSB has completed for the City. She wanted to see all of the issues that were discussed at a recent work session meeting, August 23, 2022, being resolved to the residents satisfaction. In addition, she recommended the proposed project be pushed back a year or that it be a full mill and overlay.

Vickerman questioned why Staff had recommended a reconstruction versus a mill and overlay for some of the streets. Ms. Brown stated this was due to the existing conditions of the streets. She described how a mill and overlay takes off the top two inches of a roadway and if cracking went below those two inches a mill and overlay was not effective. In addition, there were issues with settlement issues along the curbs.

Vickerman asked when the comp plan was approved that addressed sidewalk installation. Grams reported this was done in 2017. He explained a section within the comp plan addresses walkability. He indicated the plan that was brought before the Council included options with sidewalk and without sidewalk.

Vickerman requested further information regarding the vacation of 1½ Street and 1st Street NW. Grams stated 1½ Street looks like an extended parking lot but was a street. He reported this roadway was in very rough shape. He indicated the City would look to vacate this roadway after it was improved. He stated 1st Street NW was by Heinen's and poses more challenges with a vacation due to the location of utilities.

Vickerman inquired what the risk may be of waiting to do this project for another year or two. Ms. Brown stated it was likely that the costs would be proportional with inflation if the project were pushed off until 2024.

Vickerman commented she did not believe the project should be pushed off because costs would continue to increase. She stated she also did not support sidewalks because they did not make sense.

Stelmach discussed the historic prices for oil and gas and how they impacted the price of pavement. He stated gas prices were extremely high at this time which was impacting cost for this project. He explained he was on the bubble of postponing this project given the high price of gas and inflation rates. He stated he was also on the bubble about if the sidewalks should move forward. He commented on the budget that was proposed for 2023 stating the City was facing drastic increases.

Johnson commented he was not ready to move forward with the 2023 project until all 2022 project issues have been addressed. He was of the opinion WSB completely

neglected the 2022 alleyway project. He suggested the money that was bonded for this project be invested until the project can be completed in 2024. In addition, he did not support a sidewalk in this project.

Stelmach clarified for the record that WSB cannot dictate how a contractor installs an alleyway or sidewalk. He thanked Staff for working hours and hours to address the concerns of the residents. He reported the vendor would be coming back to address the matters that were their responsibility. He stated he was happy that the City would be addressing the concerns from the 2022 project, but he did not believe the City had to stop moving forward because of the concerns from the 2022 alleyway project.

Further discussion ensued regarding the poor quality of the alleys that were installed in 2022.

Hultstrom expressed concern with the fact residents would be assessed for the 2023 Street project but the businesses along 1st Street would not be. Grams explained 1st Street NW would not be assessed because this was a mill and overlay project.

Poppe reported he was an advocate for sidewalks, but believed they did not make sense in this part of town. He stated he could support pushing this project off to 2024.

Vickerman questioned if these streets would remain drivable for the next year or two. Grams indicated he spoke to public works and explained patching would have to be done in these areas to keep the roads drivable.

Poppe asked what the Council's course of action should be. City Attorney Tietjen stated the Council could receive the feasibility report and call for the improvement hearing, and after the hearing the Council could postpone action on the project, or the Council could postpone action on the project this evening.

A motion was made by Johnson, seconded by Hultstrom, to postpone action on the 2023 Street Reconstruction Project until a later date.

Vickerman asked if this pushes the sidewalk question off. Grams stated the sidewalk question is part of the feasibility report and if no action was being taken on the feasibility report, this would mean the sidewalk issue would be addressed at a future date. He stated if the Council wanted clarity on the sidewalk issue, the feasibility report would have to be accepted.

Stelmach commented three Councilmembers supported sidewalks not being included in the feasibility report at this time.

Hultstrom recommended the Council amend the motion on the table to accept the feasibility study without sidewalks for the 2023 Street Reconstruction Project with the project being pushed out to 2024.

Johnson withdrew his motion.

Hultstrom withdrew her second.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-51, accepting the Feasibility Study for a future Street Reconstruction Project, without sidewalks.

The motion carried 4-1 (Stelmach opposed).

A motion was made by Johnson, seconded by Hultstrom, to recommend the 2023 Street Reconstruction Project be delayed to a future date.

Hultstrom stated she spoke with future Councilmember Schulz and noted he supported this project being pushed back.

The motion carried 5-0.

C. APPROVE TOPSOIL AND SOD REPLACEMENT QUOTE PREPARATION AND BID FOR 2020 STREET PROJECT – Emily Brown, WSB & Associates

Emily Brown, WSB & Associates, stated the sod that the contractor originally placed in July 2020 died and was replaced in October 2020. Based on inspections from November 2020 and the spring of 2021 portions of the boulevard sod was replaced at 525, 533 and 632 2nd Avenue NE in June 2022. This year several property owners reached out with concerns about the dead sod, settlement within the restored area, and the soil used. At the August 23, 2022, work session the council indicated a desire to solicit quotes to replace the topsoil and sod in these areas. Following the work session the project site was visited and 150 cubic yards of topsoil and 1,112 square yards of sod is proposed to be replaced and consist of areas meeting one or more of the following criteria:

1. Sod has died
2. Restoration area is less than 75% green
3. Restoration area is weedy
4. Boulevard area is at least 0.5" lower than the adjacent curb

Johnson asked how the City would pay for this project. Grams reported the City would pay for this out of the project funds, given the fact this project came in \$25,000 under budget.

Johnson questioned what kind of topsoil would be put under the soil. Ms. Brown reported the City would have spec requirements for the topsoil and the City could take tickets when the topsoil was brought in.

Hultstrom asked if the City should consider seeding these areas versus bringing in sod. She expressed concern with the fact the 2022 contractor had not been properly watering the sod that was installed this year. She stated she was concerned with the change orders the City had to keep approving and asked if WSB could stand by what they are required to do. Monica Hile, WSB & Associates, explained WSB acted as observers on behalf of the City. She reported the contractor, who entered into an agreement with the City, was responsible for maintaining the sod for a period of 30 days. In the absence of any other natural precipitation, they are going to have to apply water, but this does not have to be done every day. If the sod fails to establish after 30 days, WSB would speak to the contractor to ensure the situation was remedied.

Hultstrom expressed frustration with the fact the City was having to deal with change orders and replacing sod when this could have been addressed in 2020. She was overwhelmed by how bad these projects were going and commented on the number of complaints the Council was receiving from residents. Ms. Hile stated she understood this wasn't easy. She noted the Council was out twice and made replacements after 30 days. However, 2020 was an unusually warm summer with very little rain which was not good for the sod.

Hultstrom anticipated the inferior soil was also a concern to her. She questioned if she could trust WSB to follow through with the project specs. She reported the mulch that is used on the side of a highway was not the same as the topsoil that should be used under sod. Ms. Hile explained she would have loved to have addressed this concern when the sod was being installed back in 2020 and encouraged residents to contact WSB with concerns or questions they may have.

Hultstrom questioned why WSB did not have people onsite to oversee this work. Ms. Hile reported she does have observers onsite.

Johnson commented the boulevards are full of decayed mulch and wood.

Hultstrom feared the City may need to look at another engineering firm if this project cannot be properly completed. Ms. Hile stated she understood the City's frustrations and the trust issues that have been raised. She explained she could provide the Council with specification references for the topsoil that would be used for this project.

Hultstrom explained she wanted to be able to trust WSB going forward and to be able to believe that work was going to be performed as promised.

A motion was made by Vickerman, seconded by Stelmach, to adopt Resolution No. 2022-52, authorizing the preparation and distribution of a quote package to replace topsoil and sod at various locations within the 2020 Street Reconstruction Project.

Johnson encouraged WSB to see that this work was properly completed on behalf of the City.

The motion carried 5-0.

D. APPROVE 2022 ALLEY PROJECT CHANGE ORDER NO. 1 – Emily Brown, WSB & Associates

Monica Hile, WSB & Associates, stated the project includes reconstruction of several alleys throughout the city, including "Alley 5" between 4th Avenue NE and 5th Avenue NE from 93rd Avenue N to 4th Street NE. The original design increased the elevation of the northern portion of this alley to increase the cover over the storm pipe on the north side of the alley resulting in a back-pitched driveway and a fence gate that can no longer swing open into the alley. As discussed at the 8/23/2022 work session this portion of Alley 5 is proposed to be reconstructed to the preconstruction elevation at no cost to the city. At the work session it was discussed that this work would be done as a Change Order to the current project in order to get the work done this construction season.

Staff commented further on the proposed changes, noting the City would be reimbursed by WSB for the expense of this change order and recommended approval.

Stelmach asked if WSB could tell the contractor how to put the alley in. Ms. Hile stated means and methods would be determined by the contractor.

Johnson explained the other end of this alley was quite high and there was water that was backing up from the street. He asked if this issue was going to be addressed through the change order. Emily Brown, WSB & Associates, reported this was a punch list item that would be addressed by the contractor.

Poppe opened the meeting for public comments.

Jim Mikolai, 633 5th Avenue NE, stated he had a productive meeting last Tuesday with WSB. He reported all of his questions have been answered and he hoped the change order would address all of the elevations concerns.

Poppe closed the meeting for public comments.

A motion was made by Vickerman, seconded by Johnson, to adopt Resolution No. 2022-53, approving Change Order No. 1 for the 2022 Alley Reconstruction Project. The motion carried 5-0.

E. CONSIDER ABATEMENT FOR 124 1ST AVENUE NE

Police Chief Mikkelsen stated the police department has received many complaints about the overgrown bushes and vegetation at 124 1st Avenue NE. On July 21, 2022, Officer Smith sent a letter to the owner of 124 1st Avenue NE, Deborah Cameron. Deborah Cameron currently lives at 9553 Pilgrim Lane in Maple Grove. The letter states that Officer Smith had received a complaint about the property and then went to the property and verified that there was an issue. Officer Smith gave Cameron until July 31, 2022, to fix the issue. Officer Smith, in the meantime, has been out of the workplace, so Chief Mikkelsen followed up on some of his open cases. Chief Mikkelsen then went to the residence on August 24, 2022, and found that the noxious weeds had not been trimmed or cut down. Several pictures of the violation were taken and then an abatement order was issued to the property and a citation for the violation of City ordinances.

Police Chief Mikkelsen explained a copy of the abatement order was posted to the property's front door. Chief Mikkelsen tried to deliver the documents to Cameron at her address in Maple Grove but was unable to contact her in person. Chief Mikkelsen then sent a copy of the citation and the abatement order via the mail. On September 8, 2022, the letter and citation were returned by the Post Office stating that the house was vacant, and they could not be delivered. That same day Chief Mikkelsen drove to the residence and found that the home was not vacant since it was full of healthy animals; the envelope containing the abatement letter and the citation were left on the door. Chief Mikkelsen returned to the home after midnight on September 8, 2022, and found that the blinds had been closed and the dogs had been put into kennels. He stated that someone is living at the residence and is taking care of the animals. He provided the

Council with further information on the situation and requested approval of the abatement.

Stelmach asked if the Council had the right to approve the abatement. City Attorney Tietjen reported based on her review of the information all criteria have been met and the Council could move forward with this abatement.

Johnson questioned if City Staff would complete this work. Police Chief Mikkelson explained the work would be completed by public works and their time would be charged back to the property owner.

Stelmach encouraged the police department to properly document all of the work that was done. Grams stated the police department would complete this work.

A motion was made by Hultstrom, seconded by Stelmach, to approve the abatement of 124 1st Avenue NE.

Johnson questioned if this property was up to date on its utilities and property taxes. Police Chief Mikkelson reported the property was current on both its property taxes and utilities.

The motion carried 5-0.

A motion was made by Hultstrom, seconded by Stelmach, to adjourn to a Closed Session meeting at 8:55 p.m. The motion carried 5-0.

F. CLOSED SESSION – APPROVE CONTRACT WITH LELS LOCAL #182 FOR LAW ENFORCEMENT SERVICES FOR 2023-2025

The Council met in closed session pursuant to Minnesota State Statute 13D.03 Sub 3 to discuss the LELS Local #182 law enforcement services contract for years 2023 through 2025.

A motion was made by Hultstrom, seconded by Stelmach, to reconvene the City Council meeting at 9:22 p.m. The motion carried 5-0.

A motion was made by Vickerman, seconded by Hultstrom, to approve a contract with LELS Local #182 for Law Enforcement Services for 2023-2025. The motion carried 5-0.

G. ADOPT FY2023 PRELIMINARY CITY BUDGET AND TAX LEVY (Resolution)

Grams stated the Council previously reviewed the preliminary 2023 budget developed by Staff at the work session meeting on August 29, 2022. Many of the recommendations made by the Council at the work session meeting have been incorporated into the proposed budget attached to this agenda item, however, a majority of the Council directed Staff to bring the preliminary budget largely as presented back to the Council for preliminary approval at the September 12, 2022, meeting. The proposed preliminary 2023 city budget shows a full balanced budget between expenditures and revenue. The total proposed expenditures budget for 2023 is \$3,370,306. This represents an increase

of 9.37% over the 2022 adopted budget (\$288,836 total increase). Staff reviewed the budget for each department in further detail with the Council.

Grams explained in addition to approving the 2023 preliminary budget, the Council will also need to approve the General Fund Levy amount. This is the amount that the City needs to collect from tax paying properties within City limits to balance the preliminary budget. The proposed General Fund Levy and General Obligation Bond amounts are:

General Fund Levy	\$2,008,055
General Obligation Bond 2016B	\$ 135,000

Grams reported the General Fund Levy amount includes \$49,113 added to satisfy the general fund balance policy. The current expenditures budget, including taxes levied for debt and fiscal disparities, results in a tax levy increase of 15.04% increase (\$262,501). This means that to fully balance the budget, we will ask the property owners of Osseo to pay \$262,501 more in taxes to cover all the services the City offers. The expected tax capacity rate will increase slightly in 2023 from 57.20% to 57.78% (an increase of 0.58% from 2022, and a total decrease of 19.57% since 2013). The Council should consider the preliminary 2023 budget and direct Staff accordingly. The preliminary budget must be approved no later than September 30, 2022, which is when the General Tax Levy amounts are due and certified to Hennepin County for preparation of preliminary property tax statements. Staff commented further on the preliminary budget and tax levy and recommended approval.

Hultstrom stated she would like to see the \$10,000 contingency written back into budget. The Council supported this recommendation.

Hultstrom thanked Staff for all of the work on the budget and tax levy.

Johnson indicated the 15% tax levy increase was too high for him and he would not be able support this item moving forward.

Stelmach reiterated that the preliminary levy was a high water mark and while he was not thrilled with seeing a double digit increase, he would be offering his support.

Hultstrom questioned if pushing the 2023 Street Project back a year or two would impact the budget. Grams reported the City would still have to make the bond payments, but noted all other project expenses would freeze. He clarified that all of the expenses for this project were paid for out of bond proceeds and not the general fund.

Johnson encouraged the Council to consider having a proper fund balance in place in order to support the proposed budget.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-54, approving the 2023 budget and property tax levy with the stated change to the contingency reserve fund.

Johnson commented he has never voted against a budget in the past, but noted he would not be able to support this budget.

Stelmach reported this budget was a high-water mark and as more information comes to Staff in the coming months, adjustments and reductions will be made.

The motion carried 4-1 (Johnson opposed).

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-55, reducing debt service tax levies for 2023. The motion carried 5-0.

H. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

Johnson requested Staff further investigate the workers compensation payment.

A motion was made by Johnson, seconded by Vickerman, to approve the Accounts Payable as amended, looking into the workers compensation payment before mailing the check. The motion carried 5-0.

11. ADMINISTRATOR REPORT

Grams thanked all of the volunteers, Staff members and Lions Club members who work to make the Lions Roar a tremendous community event.

12. COUNCIL AND ATTORNEY REPORTS

Hultstrom thanked the Lions, volunteers, and Staff members who made Lions Roar great again this year. She also thanked the Osseo Police Department for their work over the past weekend.

Hultstrom commented she would be attending her final League of Minnesota Policy Human Resources and Data Practices meeting.

Johnson stated he looked forward to attending Lions Roar every year, as do many former residents of Osseo. He thanked the Lions for all of their great work on behalf of the community.

Vickerman thanked the Lions for all of their efforts to make Lions Roar a great community event. She thanked public works for all of their efforts as well.

13. ANNOUNCEMENTS

Poppe encouraged residents to take advantage of the Osseo Trolley which was available Monday through Thursday from 9:00 a.m. to 2:30 p.m.

Poppe invited the public to visit the Osseo Farmers Market on Tuesday from 3:00 p.m. to 6:30 p.m. through September 27.

14. ADJOURNMENT

A motion was made by Hultstrom, seconded by Johnson, to adjourn the City Council meeting at 9:50 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial