

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

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:26 p.m. on Monday, December 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 Mikkelson, Financial Consultant Gary Groen, Police Officer Matthew Peterson, Dan Tinter, Ehlers & Associates; and City Attorney Mary Tietjen.

Others present: Karen Ruzicka, City Resident; Frank Ruzicka, 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 Hultstrom, seconded by Stelmach, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

- A. Approve November 28 Work Session Minutes
- B. Approve November 28 Council Minutes
- C. Receive November 21 Planning Commission Minutes
- D. Approve 2023 Council, EDA and Planning Commission Meeting Schedule
- ~~E. Approve 2023 Wage Increase for City Staff~~
- F. Approve 2023 Pawn License for Osseo Pawn LLC
- G. Approve 2023 Agreement with Minute Maker Secretarial Services
- H. Accept Resignation of Firefighter Andrew Larkins
- I. Approve Hire of Rink Attendants – Nicholas Norma, Jacob Wills, Carter Schulz, and Jack Goldsmith
- J. Approve Hire of Seasonal Public Works Snow Removal – Ed Columbus
- K. Receive November Building Report
- ~~L. Approve Community Center Weekly Event Rental and Fee Waiver for Ardenza String Academy – January through June 2023~~
- M. Approve Community Center Weekly Rental for BNI Northwest Suburban – January through April 2023

- N. Receive November American Legion Gambling Report
- ~~O. Accept Resignation of Full Time Police Officer Anthony Mortinson~~
- P. Receive November Fire Gambling Report
- Q. Receive November Fire Activity Report
- R. Accept Resignation of Firefighter Pat Lundgren
- S. Receive November Lions Club Gambling Report

Hultstrom requested Items E, L and O be pulled for further discussion.

A motion was made by Hultstrom, seconded by Johnson, to remove items E, L and O from the Consent Agenda for further discussion. The motion carried 5-0.

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

- E. Approve 2023 Wage Increase for City Staff

Hultstrom stated she was concerned about the proposed wage increases. She reported she could not vote to support these increases when the part-time workers were making more than the firefighters.

A motion was made by Hultstrom, seconded by Johnson, to deny the 2023 Wage Increase for City Staff.

Stelmach explained he appreciated Councilmember Hultstrom's concerns. He supported the wage increases being approved directing the Council to revisit this matter in January of 2023.

Hultstrom reported the Council and PSAC discussed this matter several times throughout 2022 and she did not support the wage increases moving forward.

Stelmach stated the Council could have discussed wage increases at a worksession meeting prior to this item coming before the Council for approval but this did not happen. He indicated he still supported this item moving forward with further discussion being held in 2023. Grams explained Councilmember Hultstrom had discussed increased rates for the fire department members and this was incorporated in the budget based on the recommendations of the Fire Chief.

Hultstrom asked if this included a COLA for the firefighters. Grams reported a COLA was not included, but rather a reset or adjustment was made to keep the firefighter position competitive in the metro area. He noted these numbers move the Osseo Fire Department to the middle versus being on the low end.

Hultstrom indicated she did not support the City paying some of the part-time positions above what the firefighters receive in pay. She believed the Council had to start taking its firefighters seriously, noting Council accepted the resignation of two firefighters at this meeting.

Vickerman questioned what other action could be taken because if this was not approved, and if the firefighters would still be paid the old rates.

Stelmach stated this was why he supported the wage increases being approved with the thought there would be additional discussion regarding the pay rates in January.

Johnson indicated the Council has to act on this because the Council has a budget to approve.

Poppe agreed noting the numbers within the budget were based on the proposed wage increases.

Johnson believed the fireman were not getting enough pay and he agreed they were deserving of more.

Stelmach stated the City Administrator was given no fore warning to rework the budget.

Hultstrom questioned if it was possible to revisit the rates and make it retroactive in January. Grams reviewed the options available to the Council stating the Council could approve the fire fighter pay with a slight increase. He explained another option would be to increase the number and use contingency funds to cover the expense.

Hultstrom reported the fire fighters have had their yearly evaluations and she would like to see the firefighters pay go up \$2 per hour. Otherwise, she believed there was a problem and she would not be able to support the wage increases.

Vickerman stated she agreed with the spirit of the increase, but she understood there were implications on the 2023 budget. Grams estimated the \$2 per hour increase would impact the contingency fund by \$13,000 to \$15,000.

Johnson reported even with this increase, the final levy would come in under the preliminary levy. He stated he would be willing to support the \$2 per hour increase for the fire fighters.

The motion failed 0-5.

A motion was made by Hultstrom, seconded by Stelmach, to approve the 2023 Wage Increase for City Staff with a \$2 per hour wage adjustment for the paid on call fire fighters, captain, lieutenant, and chief 1 and 2. The motion carried 5-0.

- L. Approve Community Center Weekly Event Rental and Fee Waiver for Ardenza String Academy

Hultstrom stated she was sympathetic that this was an organization that allowed children to play music. However, this was a Champlin business seeking a waiver which would take away a revenue stream from the City of Osseo. She did not support the City giving away prime time use of the Community Center.

Stelmach agreed this made sense.

Johnson supported the City charging this organization the non-Osseo rate for use of the Community Center.

Stelmach agreed with Councilmember Johnson noting a precedent would be set if the Council were to waive the fee for this organization.

A motion was made by Johnson, seconded by Hultstrom, to deny the Community Center Weekly Event Rental and Fee Waiver request for Ardenza String Academy – January through June 2023. The motion carried 5-0.

O. Accept Resignation of Full-Time Police Officer Anthony Mortinson

Hultstrom thanked Officer Mortinson for his tremendous service to the City of Osseo over the past 16 years. While she didn't want to see him go, she wished him all the best in the future.

A motion was made by Hultstrom, seconded by Stelmach, to accept the resignation of Full-Time Police Officer Anthony Mortinson. The motion carried 5-0.

6. MATTERS FROM THE FLOOR

Karen Ruzicka, 12 6th Street NE, reported she just sat through the EDA meeting. She asked for clarification on the spending plan that was approved for TIF District 2-4. She questioned who would be appointed to the EDA after Councilmember Stelmach's term ended.

Grams explained the EDA was comprised of three of the five Councilmembers. He indicated if a Councilmember wants to serve on the EDA, they are appointed and the remaining members are business members or residents in Osseo. He commented further on the TIF spending plan that was approved by Council noting this was action was affirmed by the EDA this evening.

7. SPECIAL BUSINESS

A. UPDATE ON HALL SWEENEY DEVELOPMENT

Dan Tinter, Ehlers & Associates, provided the Council with an update on the Hall Sweeney development. He explained Staff has been working since 2021 to redevelop parcels within the 600 block of Central Avenue. He reported last month Staff met with the developer and learned that due to the increased cost of borrowing, the developer has opted to put the project on pause. He indicated the developer remains committed to the project, but would like to wait to see what happens in the economy. He noted the developer plans to revisit the project in the first or second quarter in 2023.

Vickerman questioned what options would be available to the City if this project did not move forward. Mr. Tinter explained a TIF District was created by the City and this TIF District could move forward with another development were to come forward.

Stelmach commented on how the actions taken by the EDA had created additional tools that would be available to assist for the redevelopment of this property.

Hultstrom asked how long the City had to spend the dollars available in the spending plan. Mr. Tinter reported the City had until December 31, 2025 to spend these dollars on a redevelopment project.

B. AFFIRM ECONOMIC DEVELOPMENT AUTHORITY REMOVAL OF BELL TOWER PARCELS FROM TIF 2-4

Dan Tinter, Ehlers & Associates, requested the Council affirm the actions of the EDA removing the Bell Tower parcels from TIF District No. 2-4. He reported in 2000 the EDA and City of Osseo created TIF District 2-4 which included a number of parcels. He noted the bonds for this district have been paid off and 23 parcels can be released from the district. He explained if these 23 parcels were released by the end of 2022, they would be returned to the tax rolls for taxes payable in 2023, which would add \$199,600 in tax capacity to the City.

A motion was made by Stelmach, seconded by Vickerman, to adopt Resolution No. 2022-68, affirming the elimination of parcels from Tax Increment Financing District No. 2-4 within Municipal Development District No. 2 in the City of Osseo. The motion carried 5-0.

C. THANK YOU 2022 VOLUNTEERS

Grams read a statement in full for the record thanking all of the volunteers who served the community in 2022 for working to make all lives in Osseo better every day.

Stelmach thanked all of the residents in Osseo that help shovel out their neighbors.

D. ACCEPT DONATIONS

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Realife Cooperative of Osseo	\$195	Minidazzle

Staff recommended the Council accept the donations.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-69, accepting a donation from Realife Cooperative of Osseo. The motion carried 5-0.

8. PUBLIC HEARINGS

A. 2023 TRUTH IN TAXATION PUBLIC HEARING

Grams reviewed the 2023 budget and tax levy in detail with the Council. He discussed what determines the City portion of property taxes, which was the change in the value of a property along with the change in the effective city tax rate. He commented on how property values were on the rise in Osseo and homes were selling at an all time high. He discussed the change in the City's tax capacity rate and stated he was proud of all of the work the Council has been doing to improve the tax base. Staff described how

property taxes were divided between the City, County and other taxing jurisdictions. He requested the Council hold the Truth in Taxation hearing and take comments from the public.

A motion was made by Stelmach, seconded by Vickerman, to open the Truth in Taxation Public Hearing at 8:28 p.m. The motion carried 5-0.

A motion was made by Johnson, seconded by Hultstrom, to close the Truth in Taxation Public Hearing at 8:29 p.m. The motion carried 5-0.

9. OLD BUSINESS – None

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF DECEMBER 12, 2022

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable, approved the 2023 EDA budget, received an update on the Hall Sweeney Development project, affirmed the City Council's approval of the TIF Spending Plan, and removed the Bell Tower parcels from TIF District 2-4.

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

B. APPROVE HIRE OF FULL-TIME POLICE OFFICER MATTHEW PETERSON

Police Chief Mikkelsen stated on the agenda this evening was the resignation of Officer Mortinson, which leaves a vacancy for a Full-Time Police Officer. Matthew Peterson has been involved in our last two full-time officer interview processes. He has passed the interview, background, psych, and medical processes. He comes to the City with experience in private armed security and has some Osseo connection since he currently works at the Osseo Gun Club. He introduced Matthew Peterson to the Council and requested the proposed hiring be approved.

A motion was made by Vickerman, seconded by Stelmach, to approve the hire of Matthew Peterson as Full-Time Police Officer.

Hultstrom stated it was with great pleasure she would be supporting this motion.

The motion carried 5-0.

C. APPROVE 2023 FEE SCHEDULE

Grams stated Staff has reviewed the fee schedule for 2023. He commented on the updates and proposed changes within the fee schedule and recommended approval.

A motion was made by Hultstrom, seconded by Vickerman, to approve the 2023 Fee Schedule.

Johnson asked if the late fee charge of 10% per month for utility bills was allowed. Grams explained this was allowed and noted there was a cap of \$30. City Attorney Tietjen reported this was a typical percentage for late payments.

Johnson explained the deposit for the Community Center was refundable, minus cleaning expenses. Grams reported this was the case and noted this information was clearly spelled out in the rental application for the Community Center.

Johnson requested further information regarding the rental inspection fees being charged by the City. Grams reviewed the rates being charged by the City for duplex, triplex and larger multi-family units.

The motion carried 5-0.

D. DESIGNATE POLLING PLACE FOR ELECTION PRECINCT

Grams stated Minnesota Statutes Section 204B.16 states that by December 31 of each year the governing body of each city must designate by ordinance or resolution a polling place for each election precinct. Osseo has one voting precinct, the Osseo Community Center. This is done annually even if Osseo doesn't anticipate having an election.

A motion was made by Hultstrom, seconded by Johnson, to adopt Resolution No. 2022-70, designating polling place for election precinct. The motion carried 5-0.

E. ADOPT 2023 CITY BUDGET AND TAX LEVY

Grams stated after Staff recommendations, Council Budget and Finance Committee recommendations, Council member recommendations and comments from Osseo taxpayers, Staff was pleased to present the 2023 City Budget and Tax Levy for approval. The 2023 City Budget shows a fully balanced budget between expenditures and revenues. Staff reviewed the proposed expenditures and revenues for 2023 in further detail, noting adjustments would be made to take into consideration the increase in pay that was approved for Osseo fire fighters and recommended approval of the 2023 budget and tax levy.

Johnson stated he was concerned with what the cash balance would be at the end of 2023 with the proposed budget and if the City would be meeting the 40% fund balance. Groen estimated the City would come out with a balanced budget or slightly to the positive side for 2022. He commented on how the State was discussing how to use their surplus and noted LGA was being considered. He reported he was comfortable with the numbers as presented noting the fund balance was projected to be around 37%.

Hultstrom stated if Staff was comfortable with these numbers, she would be offering her support.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2022-71, approving the 2023 City Budget and General Tax Levy with the amended fire pay. The motion carried 5-0.

A motion was made by Johnson, seconded by Hultstrom, to adopt Resolution No. 2022-72, approving the 2023 Debt Service Levies. The motion carried 5-0.

F. CLOSED SESSION – CITY ADMINISTRATOR PERFORMANCE EVALUATION

City Attorney Tietjen reported the Council would be meeting in Closed Session in order to conduct a performance evaluation for the City Administrator pursuant to Minnesota Statutes Section 13D.05, Subd. 3(a). It was noted a summary of this meeting will be given at the first meeting of the City Council in January of 2023.

A motion was made by Vickerman, seconded by Hultstrom, to recess to a Closed Session at 8:50 p.m. The motion carried 5-0.

Poppe reconvened the Council meeting at 10:06 p.m.

A motion was made by Vickerman, seconded by Stelmach, to modify the merit increase for City Administrator Grams to 3%. The motion carried 3-2 (Hultstrom and Johnson opposed).

G. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

A motion was made by Johnson, seconded by Stelmach, to approve the Accounts Payable as presented. The motion carried 5-0.

11. ADMINISTRATOR REPORT

Grams thanked the City Council for supporting the 2023 budget.

Grams thanked Officer Tony Mortinson for his incredible service to the City of Osseo over the years and wished him all the best.

Grams thanked Councilmember Stelmach for his almost 10 years of dedicated service to the City on the Council and various committees.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen reported the Council would be addressing THC/edibles in January or February of 2023.

Hultstrom thanked the Council for understanding her concerns regarding the fire fighter pay and for supporting a pay increase.

Hultstrom thanked Officer Mortinson and Firefighters Larkins and Lundgren for their service to the community.

Hultstrom stated it has been an honor serve alongside Councilmember Stelmach and thanked him for his service to the City of Osseo.

Johnson indicated he was sorry to see Officer Mortinson leaving the community and thanked him for his wonderful service to the community.

Johnson explained he came onto the Council at the same time as Councilmember Stelmach. He stated he respected his opinions and thanked him for his service to the City.

Vickerman thanked Officer Mortinson for his tremendous service to the community and wished him all the best in the future.

Vickerman noted she spent several days working in the holiday shop at Elm Creek Elementary School. She wished everyone in the community happy holidays.

Vickerman thanked Councilmember Stelmach for his dedicated service to the City and for sharing his insights with the community.

Stelmach wished everyone Happy Holidays and a Happy New Year. He stated he was so happy to see the Minidazzle event being held this year because this was a great community building event.

Stelmach thanked Officer Mortinson for his service to the community and wished him all the best in his new position. He welcomed Officer Peterson to the City of Osseo.

Stelmach thanked the City of Osseo and its residents for allowing him to serve this great community for the past nine years.

Poppe thanked Councilmember Stelmach and Officer Mortinson for being great assets to the community, noting both would be greatly missed.

13. ANNOUNCEMENTS

Poppe encouraged residents to drop off a new, unwrapped toy for the Toys for Tots Drive at the Osseo Police Department from November 14 through December 14.

Poppe reported the City was seeking commission members to serve the community in 2023.

Poppe explained City Hall would be closed on December 23 and December 26 for the Christmas Holiday. In addition, City Hall would be closed on December 30 and January 2 for the New Year's Holiday.

14. ADJOURNMENT

A motion was made by Stelmach, seconded by Hultstrom, to adjourn the City Council meeting at 10:22 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial