

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

May 4, 2005

OPEN FORUM – 7:15 p.m.

Open forum provides a person an opportunity to inform the Council of a problem or to request information related to City business not scheduled for Council action and on the Agenda. Mayor Shiely encouraged persons to limit their remarks to two (2) minutes per issue.

Present: Mayor Sandy Shiely
Council Member Myron Bailey
Council Member Karla Bigham
Council Member Mark Grossklaus
Council Member Pat Rice

Also Present: Ryan Schroeder, City Administrator
Ron Hedberg, Finance and Administrative Services Director
Howard Blin, Community Development Director
Jennifer Levitt, City Engineer
John Mickelson, Public Safety Director
Les Burshten, Public Works Director
Corrine Thomson, City Attorney

No one stepped forward to speak during Open Forum.

CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota held a regular meeting on Wednesday, May 4, 2005, at the Cottage Grove City Hall, 7516 80th Street South. Mayor Sandy Shiely called the meeting to order at 7:30 p.m.

ROLL CALL

Present: Mayor Sandy Shiely
Council Member Myron Bailey
Council Member Karla Bigham
Council Member Mark Grossklaus
Council Member Pat Rice

Also Present: Ryan Schroeder, City Administrator
Ron Hedberg, Finance and Administrative Services Director
Howard Blin, Community Development Director
Jennifer Levitt, City Engineer
John Mickelson, Public Safety Director

Les Burshten, Public Works Director
Corrine Thomson, City Attorney

Mayor Shiely presided over the meeting.

ADOPTION OF AGENDA

MOTION BY RICE, SECONDED BY SHIELY, TO APPROVE THE AGENDA AS PRESENTED. MOTION CARRIED 5-0.

PRESENTATIONS

A. Eagle Scout Awards – Nicholas Blau, Troop 237 and Neil Newman, Troop 777

Mayor Shiely stated that she and the City Council have the privilege of awarding an Eagle Scout Award to Nicholas Blau from Troop 237 and Neil Newman from Troop 777. She asked the Council to join her in presenting the awards.

Mayor Shiely stated that the Council and the City are very proud of these two young men. The Council presented each with their award. She thanked them for their contributions to the community and encouraged them to continue their good work.

Nicholas Blau, Troop 237 stated that his project involved clearing an area of brush and debris and installing a bench. He explained that the area gives people a quiet place to reflect and pray. He thanked the Council for his award and for their support.

Neil Newman, Troop 777, explained his project stating that he created, from scratch, a 3-bench outdoor seating area for Zion Lutheran Church.

B. Retirement Presentation – Firefighter Pat Horst, 20 Years of Service

City Administrator Schroeder asked Firefighter Pat Horst to come forward. He stated that Firefighter Horst has been with the Cottage Grove Fire Department for 20-years and provided Council with a history of his career with the City.

Mayor Shiely read the Recognition of Service and thanked Firefighter Horst for his years of service to the Community.

Firefighter Horst thanked the Council noting that time has truly gone by fast noting that one of his favorite memories is riding on the back of the truck, standing on the tailboard, on his way to a run. He thanked the Mayor, City Council and the Community for their support.

C. Photo Contest Winners

Mayor Shiely stated that it is time again to announce the winners of the annual Cottage Grove Photo Contest. She reviewed the categories noting that their task in choosing the winners was a difficult one this year because they received so many good entries.

Finance And Administrative Services Director Hedberg stated that a total of 26 photographs were submitted in three different categories: Landmarks, Nature, and People. He stated that the winners in each category are as follows: *Landmarks* – Hank Drabczak won both first and second place in this category; *Nature* – Lori Larson won first place and Annette Bastolich received second place for two entries in this category; *People* – Lori Larson and Sandra Kopren tied for first place.

Finance and Administrative Services Director Hedberg stated that the Cottage Grove Company Store sponsored the contest this year and \$75.00 would be awarded to the first place winner in each category and \$50.00 would be awarded to the second place winner in each category. He noted that the prize money in the People category would be combined and divided equally for the first-place tie, while the second-place tie in the Nature category will result in the second-place prize money being divided equally between the tied submittals, which in this case is the same participant. He stated that the winning photographs would be available for viewing on the City website and thanked everyone for their help and participation this year.

D. Snowmobile Enforcement

Officer Dan Schoen provided the Council with a PowerPoint presentation on the City of Cottage Grove's Snowmobile Enforcement process. He provided Council with a wrap up to update them on what is happening and reviewed the calls for service for 2005.

Council Member Biggam thanked Officer Schoen for his presentation. She stated that the information would be good for residents to review and suggested placing the presentation on the City website, as it would then be available to the Community.

APPROVAL OF MINUTES

NONE

CONSENT CALENDAR

Mayor Shiely asked to pull Item 4F. She stated that it should read as follows: Consider Awarding the 2005 Bituminous Trail System Micro Resurfacing Project to Road Surfacing Technologies, Inc. in the amount of \$38,439.18 not to Gopher State Sealcoat, Inc.

Council Member Biggam asked to pull Items 4I and 4M. She referenced Item 4I stating that she would like to acknowledge the donations for the 12th Annual Youth Safety Camp. She reviewed the list of donors and thanked them for their continued support of this program.

Council Member Bigham referenced Item 4M – Update on East Ravine Master Plan. She noted that one of the updates discusses the proposed realignment of Military Road. She expressed her agreement stating that it is a good idea to bring this issue before the Advisory Committee on Historic Preservation. She stated that she has concerns with accessibility to the area noting that the proposed width of the road could be an issue for both Public Works and Public Safety. She stated that the proposed width would make the roads too narrow to get through the area safely.

Community Development Director Blin acknowledged Council Member Bigham's concerns stating that her concerns echo the concerns of the Public Works Commission. He noted that the Public Works Commission voted against recommending the proposal. He stated that they would be discussing this further with Public Safety and City Council to get their feedback. He stated that Council would be updated.

Council Member Bigham stated that this has been a very productive process and thanked Community Development Director Blin for the update.

Mayor Shiely asked to pull Items 4G, 4J and 4O. She referenced Item 4G stating that she would like to reinforce several important dates coming up for the month of May. She stated that Item 4G proclaims May 24th through June 6, 2005 as 'Buckle Up Cottage Grove – Click it or Ticket' and asked everyone to be extra careful. She stated that Item 4J is a resolution adopting the proclamation observing May 15-21, 2005 as Public Works Week. She stated that Item 4O proclaims Sunday, May 15, 2005 as Police Officers' Memorial Day and the week of May 15-21, 2005 as National Police Week.

Public Works Director Burshten stated that they have tentatively scheduled an Open House for September 22, 2005 noting that an announcement confirming the date would follow.

Mayor Shiely stated that there is a Hazardous Waste Collection and Spring Clean Up scheduled this Saturday, May 7, 2005 from 7:00 a.m. to 4:30 p.m. She stated that residents can bring their hazardous waste to the Public Works building.

Public Safety Director Mickelson explained that on Sunday, May 15, 2005 Police Officers from across the State gather in several designated locations to honor and pay their respects to the Officers who have lost their lives in the line of duty.

MOTION BY GROSSKLAUS, SECONDED BY BAILEY, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
 - i. ECONOMIC DEVELOPMENT AUTHORITY OF MARCH 8, 2005
 - ii. PLANNING COMMISSION OF MARCH 28, 2005
- B. ADOPT **RESOLUTION NO. 05-069** A RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ESTABLISHING A BID DATE FOR THE GATEWAY STORM SEWER IMPROVEMENTS PROJECT FOR JUNE 9, 2005 AT 11:00 A.M.
- C. ADOPT **RESOLUTION NO. 05-070** RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ESTABLISHING A BID DATE FOR THE MISSISSIPPI

DUNES PHASE 2 UTILITY, STREET AND STREET LIGHTING IMPROVEMENTS
PROJECT FOR MAY 26, 2005 AT 10:30 P.M.

- D. AUTHORIZE THE WATER SUPPLY AND DISTRIBUTION PLAN UPDATE AS OUTLINED IN THE PROPOSAL FROM BONESTROO, ROSENE, ANDERLIK AND ASSOCIATES FOR A TOTAL AMOUNT OF \$39,775.00.
- E. AUTHORIZE THE SURFACE WATER MANAGEMENT PLAN UPDATE AS OUTLINED IN THE PROPOSAL FROM BONESTROO, ROSENE, ANDERLIK AND ASSOCIATES FOR A TOTAL AMOUNT OF \$49,900.00.
- F. AWARD THE 2005 BITUMINOUS TRAIL SYSTEM MICRO-RESURFACING PROJECT TO ROAD SURFACING TECHNOLOGIES, INC.
- G. PROCLAIM MAY 24 THROUGH JUNE 6, 2005 AS 'BUCKLE UP COTTAGE GROVE – CLICK IT OR TICKET' IN COTTAGE GROVE.
- H. ADOPT **RESOLUTION NO. 05-071** RESOLUTION AUTHORIZING EXECUTION OF A GRANT AGREEMENT RELATING TO THE ADMINISTRATION AND IMPLEMENTATION OF A TRAFFIC SAFETY PROGRAM BY THE COTTAGE GROVE POLICE DEPARTMENT.
- I. ADOPT **RESOLUTION NO. 05-072** RESOLUTION ACCEPTING DONATIONS FROM ANDERSEN CORPORATION (\$250); CCE TECHNOLOGIES, INC. (\$150); TRADEHOME SHOE STORE, INC. (\$100); LA'POOCH SALON, INC. (\$100); COTTAGE GROVE ESTATES, INC. (\$100); HEALTHEAST CARE SYSTEM (\$100); MARATHON ASHLAND PETROLEUM, LLC (\$100); J & R DIVERSIFIED, DBA TIRES PLUS (\$100); KINGSBOROUGH HOMES, LLC (\$100); RUMPCA SERVICES, INC. (\$25).
- J. ADOPT THE PROCLAMATION OBSERVING MAY 15-21, 2005 AS PUBLIC WORKS WEEK.
- K. APPROVE THE PURCHASE OF ONE NEW BOMAG MODEL 413 TOW-TYPE PAVER FROM RUFFRIDGE-JOHNSON EQUIPMENT COMPANY FOR A TOTAL PRICE OF \$35,677.50 INCLUDING TRADE-IN AND SALES TAX.
- L. APPROVE THE PURCHASE OF ONE NEW HOLLAND LB110.B TRACTOR LOADER/BACKHOE FROM CARLSON TRACTOR AND EQUIPMENT COMPANY FOR A TOTAL PRICE OF \$61,983.00 INCLUDING TRADE-IN AND SALES TAX.
- M. RECEIVE UPDATE ON THE EAST RAVINE MASTER PLAN.
- N. APPROVE STAFF TO CONTRACT SERVICES WITH HOFFMAN & MCNAMARA TO INSTALL, MAINTAIN AND WARRANTY 64 TREES AT OAKWOOD PARK FOR A PRICE OF \$17,216.00
- O. PROCLAIM SUNDAY, MAY 15, 2005 AS POLICE OFFICERS' MEMORIAL DAY AND THE WEEK OF MAY 15 THROUGH MAY 21, 2005 AS NATIONAL POLICE WEEK.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

PUBLIC HEARINGS

- A. Hold the Public Hearing and Consider Authorizing Issuance of an On Sale Wine Intoxicating and On Sale 3.2 Beer License to Lmmm, Inc./DBA Carbone's Pizzeria, 7155 Jorgensen Lane.

Mayor Shiely stated that Larry Mondry and Michelle Messetler-Mondry of Lmmm, Inc., made an application for an on-sale wine intoxicating liquor license and an on-sale 3.2 Beer License at Carbone's Pizzeria located at 7155 Jorgensen Lane South, Almar Village. She stated that the application also includes a request to allow the sale of intoxicating malt liquor under their license. She reviewed the zoning regulations with Council

City Administrator Schroeder stated that the Public Safety Department has conducted the required background investigation of the applicant, Lmmm, Inc. and as indicated nothing was found that would constitute a basis for denial of the application.

Mayor Shiely opened the Public Hearing at 8:02 p.m.

Mayor Shiely closed the Public Hearing at 8:03 p.m.

MOTION BY BIGHAM, SECONDED BY RICE, TO APPROVE THE ISSUANCE OF AN ON SALE WINE INTOXICATING AND ON SALE 3.2 BEER LICENSE TO LMMM, INC./DBA CARBONE'S PIZZERIA LOCATED AT 7155 JORGENSEN LANE, COTTAGE GROVE MINNESOTA, FOR THE PERIOD ENDING DECEMBER 31, 2005, CONTINGENT ON COMPLIANCE WITH THE CONDITIONS OUTLINED IN THE CITY CLERK'S MEMORANDUM DATED APRIL 29, 2005. MOTION CARRIED 5-0.

BID AWARDS

NONE

UNFINISHED AND NEW BUSINESS

- A. Consider Approving an Interim Conditional Use Permit to allow a Temporary Greenhouse, Outdoor Plant Display Area and Outdoor Storage Area at The Home Depot, 7200 East Point Douglas Road.

Mayor Shiely asked for clarification of the request and the final terms.

Community Development Director Blin noted that the applicant is asking for a three-year/multiple year approval, as is common on other similar sites. He explained that the Planning Commission recommended the one-year approval due to unresolved issues around collecting a fee for each year of the permit. He further explained that the Planning Commission wants to update the fee schedule to include a requirement that the fee is paid for each year of operation.

Mayor Shiely clarified that the fee is \$350.00 a year and covers administrative services costs. Community Development Director Blin confirmed stating that part of the fee covers the cost for Staff to inspect the site on an annual basis.

Mayor Shiely asked if other facilities with longer permits pay an annual fee. Community Development Director Blin confirmed that currently other facilities with a multi-year permit do

not pay the proposed annual fee adding that they would be required to start paying a fee on an annual basis if the fee schedule is changed. He suggested that Council approve the initial request and Staff would come back with an amendment.

Council Member Grossklaus stated that since Home Depot is the only one coming forward this year it would be beneficial to approve a five-year permit. He referenced the annual fee stating that if others have not paid the annual fee for this year, Home Depot should not have to pay the fee for this year either. He suggested that they wait until next year and include Home Depot with the rest of the businesses. He expressed concerns stating that it does not seem right to charge a fee to one company and not the others.

Council Member Bailey asked if the one-year interim is the typical process used. Community Development Director Blin stated that the one-year interim is consistent with how each business was handled.

Council Member Bailey agreed with Council Member Grossklaus' concerns stating that if the fee has not been applied to the other businesses with this type of permit that it would not be fair to hold the applicant out and yet allow other companies not to pay the fee. He stated that he would be in support of the five-year permit if this is the same process used for other businesses.

MOTION BY BAILEY, SECOND BY RICE, TO ADOPT **RESOLUTION NO. 05-073** A RESOLUTION APPROVING A FIVE-YEAR CONDITIONAL USE PERMIT TO ALLOW AN OUTDOOR SEASONAL SALES AREA AT THE HOME DEPOT, WITH AN AMENDMENT FROM STAFF TO FOLLOW. MOTION CARRIED 5-0.

B. Consider Approving the Subdivision Agreement between Cheetah Properties and the City of Cottage Grove for Mississippi Dunes Estates 2nd Addition.

Community Development Director Blin stated that Cheetah Properties is developing a 47-lot detached single-family subdivision named Mississippi Dunes Estates, 2nd Addition. He stated that the City Engineer has prepared a feasibility report that estimates the cost to construct all public improvements for the project noting that this information was used to prepare the subdivision agreement. He provided Council with a brief overview of the feasibility report and draft agreement.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO APPROVE THE SUBDIVISION AGREEMENT BETWEEN CHEETAH PROPERTIES AND THE CITY OF COTTAGE GROVE FOR THE MISSISSIPPI DUNES ESTATES 2ND ADDITION. MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

NONE

COUNCIL COMMENTS AND REQUESTS

Council Member Rice announced that this Saturday, May 7, 2005 is the annual Spring Clean Up and Hazardous Waste Drop Off. He stated that residents could drop off their old appliances or hazardous waste at the Public Works building located at 8635 West Point Douglas Road between the hours of 7:00 a.m. to 4:30 p.m. He stated that fees do apply for certain items and residents could contact the Public Works Department at 651-458-2808 with any questions.

PAY BILLS

MOTION BY BIGHAM, SECONDED BY BAILEY, TO APPROVE PAYMENT OF CHECK NUMBERS 139697 THROUGH 139859 TOTALING \$393,426.59. (CHECKS 139697 – 139713 IN THE AMOUNT OF \$66,387.22 ISSUED PRIOR TO COUNCIL APPROVAL.)
MOTION CARRIED 5-0.

Mayor Shiely called a 5-minute break at 8:15 p.m.

Mayor Shiely called the meeting back to order at 8:24 p.m.

Present: Mayor Sandy Shiely
Council Member Myron Bailey
Council Member Karla Bigham
Council Member Mark Grossklaus
Council Member Pat Rice

Also Present: Ryan Schroeder, City Administrator
Ron Hedberg, Finance and Administrative Services Director
Howard Blin, Community Development Director
Jennifer Levitt, City Engineer
John Mickelson, Public Safety Director
Les Burshten, Public Works Director

Not Present: Corrine Thomson, City Attorney

WORKSHOP SESSION – OPEN

A. Council 2006 Budget Goals Worksession

Finance and Administrative Services Director Hedberg provided Council with brief presentation stating that to begin the 2006 budget process, Staff is looking for direction from Council as to their interests and concerns; what area to look at; and what programs should be increased or decreased. He noted that this is a deviation from previous years stating that by receiving direction from the Council on their budget goals prior to beginning the process Staff can use this direction in preparing their detail for 2006 budgets. He noted that in the year 2000 approximately 25-percent of their funding came from Local Government Aid and HACA and now the City receives none, and Property Taxes used to be 53-percent of the general

fund source and now makes up almost 75-percent of the sources. He noted that the loss in LGA and HACA has shifted the funding source and the City now receives most of the funding from Property Taxes.

Finance and Administrative Services Director Hedberg explained that a percentage of the property taxes are paid for by the State through a Market Value of Homestead Credit. He further explained that he has learned that the State could possibly take the credit away noting that there is discussion to this effect currently taking place at the State level. He assured Council that currently this is safe territory but there is a possibility for it to change. He referenced a news article in the Pioneer Press stating that the LGA is being adjusted in both Minneapolis and St. Paul. He stated that the two Cities would lose millions of dollars due to this change and the Cities would begin to react to this change. He stated that he does not know what the impact would be to Cottage Grove at this time.

Finance and Administrative Services Director Hedberg reviewed the commercial tax values and rates with Council and provided a comparison of the operating expenditures. He noted that last year over 90-percent of the homes experienced a 15-percent increase in the limited tax value market. He stated that the County Assessor's report for March shows an overall residential appreciation of 6.4-percent and 2.6-percent for commercial. He stated that it would be good for Staff to receive feedback from Council as to what they would consider as an acceptable tax rate received from property owners.

Council Member Biggam noted that there is talk at the Capitol level that they do not want to renew the sunset of the 15-percent depreciation. Finance and Administrative Services Director Hedberg confirmed stating that there is a concern that there would be a huge shift of the tax burden on the homes currently not included. He stated that 80-percent of the homes would experience an increase noting that the increase would not be dramatic.

Mayor Shiely clarified that industrial is included when discussing commercial tax capacity. Finance and Administrative Services Director Hedberg confirmed noting that they did not include the tax base for the TIF districts.

City Administrator Schroeder indicated that there have been some recent property tax court settlements that would cause some downward pressures on the market values. He stated that they recently received approximately twenty tax notices for commercial/industrial issues adding that they are challenging their market values.

Finance and Administrative Services Director Hedberg stated that the State Auditor issues an annual report noting that he broke Cottage Grove down to three areas: general government; expenditures per household; and expenditures by department. He provided Council with an overview stating that every City in Minnesota must report their expenditures in the format required by the State.

Finance and Administrative Services Director Hedberg noted that the City of Cottage Grove runs the ambulance service as an Enterprise Fund and that the statewide numbers do not include the numbers for the ambulance service.

Council Member Bailey asked if the ambulance drivers are paid from the Enterprise Fund. Finance and Administrative Services Director Hedberg stated that some of the personnel are paid from the Ambulance Fund and some are paid from the General Fund. He explained that this would probably be revisited as they begin to see more pressure to reduce expenditures.

Finance and Administrative Services Director Hedberg noted that overall the City of Cottage Grove ranks 47 out of 95 Cities and the City is right in the mix for average expenditures. He stated that the City of Cottage Grove ranks 18 out of 35 as a high growth City in the State.

Council Member Bailey asked for examples of what would comprises 'all other' expenses. Finance and Administrative Services Director Hedberg stated that other expenses would include sanitation; conservation; garbage collection; operation of a library, airport, health facility, cemetery; and miscellaneous expenditures.

Finance and Administrative Services Director Hedberg reviewed employee and employment trends with Council. He stated that as they get further into the budget there are several bigger projects that should be kept in mind during the review processes. He stated that he and City Administrator Schroeder have discussed the need to show how debt services and public facilities would work noting that it would have to adjust. He assured Council that, as they get further down the road that Staff would work to include this as a part of the review of total property tax dollars.

Council Member Biggam clarified that the Enterprise Funds are not part of the levy piece. Finance and Administrative Services Director Hedberg confirmed stating that the City currently does not levy for the golf course or the water and sewer funds. He stated that the rates are adjusted to pay its' own debt. He stated that the debt services amount is what is levied to property tax payers each year.

Finance and Administrative Services Director Hedberg stated that there are several projects to keep in mind during this process including: a new facilities for Public Safety noting that they would need approximately \$60,000 for pre-planning and space needs; \$600 for arch design; City Hall/Public Safety building impacts on future levies; Funding for future improvements to the Ice Arena and/or Community Center; existing budget considerations would include the cost of living and step increases; increases in health insurance; and potential PERA rate changes.

Mayor Shiely clarified that Staff is looking for direction on the tax rates stating that she does not want to see a lot in the way of increases, noting that her preference would be to see the rates drop.

Council Member Grossklaus referenced page four noting that it shows 39-percent and then drops to 35-percent. He stated that he would like to see the calculations that were used between these percentages and how it would affect the City's levy. Finance and Administrative Services Director Hedberg explained that in the example the top number is the comparison of the levy from last year to this year, which increased and reviewed with Council. Council Member Grossklaus stated that he would like to see the varying tax rates at each percent rate and what would it mean in tax levy increases.

Council Member Bailey asked what the differences would be if everything stays the same as far as tax structure from this year to the next. Finance and Administrative Services Director Hedberg stated that the fiscal disparities would not change. He stated that it appears that the commercial evaluations are in the neighborhood of 2-percent noting that it shouldn't have a huge change. He explained that if they left the property tax levy alone and there was a 10-percent appreciation increase and if they have \$805,000 in new tax base created, the City would then have a tax rate of 34.43-percent on a \$178,000 home. He stated that from a City perspective, the rate would go down by \$84.00.

Mayor Shiely stated that when she looks into the future on pavement management for the debt levy the City does find some relief by 2010. She stated that rather than experience what they are looking at, they could continue to levy the same amount and take on new burdens to a certain degree. She stated that they would want to stay the same once the levy begins to decrease noting that they could then take on additional items such as a new City Facility or Police Station, which is what they are looking to do. Finance and Administrative Services Director Hedberg stated that realistically it would be 2011 before a substantial decrease would happen. He stated that in 2007 Staff would come to Council to determine how the bonds should be structured so that there isn't such a big drop.

Mayor Shiely asked how much additional debt could the City Take on and maintain over a standard period of years. Finance and Administrative Services Director Hedberg stated that the pavement management bonds total \$5 million in total debt issued, along with an additional \$5 million that could be levied.

Mayor Shiely asked where the revenue sources would come from if they should decide to go ahead and do this. Finance and Administrative Services Director Hedberg stated that revenue sources would include funds from the sale of City Hall; funds from the sale of Fire Station 2; cash on hand; and construction. He indicated that dollars are also set aside annually for future facilities.

City Administrator Schroeder stated that Staff has developed a spreadsheet that includes the information and comparisons. He stated that he would provide a copy to Council for their review and suggested that they discuss at later date.

Council Member Rice asked what year the 39.08 local tax rate was used. Finance and Administrative Services Director Hedberg stated that it was used to pay for 2005. He stated that if the tax rate stays 39.03 that it would generate \$11,690,992.00 noting that this would factor into the overall depreciation and the impact would be an \$84 increase for the City on a \$178,000 home.

Finance and Administrative Services Director Hedberg provided Council with a list of programs and cost centers noting that it is very useful in breaking down the General Fund by programs. He stated that if Council wants to go to this level of detail they could review each list and provide feedback and suggestions by program.

Mayor Shiely asked Council if they wanted to get involved with this level of detail. Council stated that it is a good informational resource but they do not want to get down to this level of detail.

Mayor Shiely clarified that what she is hearing from Council is that they want to look at what staying the same would do and that Council would like to review the different options available. She clarified that Council wants to at least stay the same and not raise the rate.

Council Member Grossklaus stated that he would like to see it go down. He stated that he would like to see the current rates, what the budget levels are and the projects associated.

Council Member Bigham suggested that each department identify their priorities and provide to Council and noted several priorities to consider including the unfunded mandate for stormwater. She noted that some of the work would be done in-house and some would be out-sourced and asked if the budget reflects what they need in order to do effectively complete the mandate.

Public Works Director Burshten explained that part of the problem with the stormwater mandate is that there is so much work that has to be done to comply. He stated that they have a small window of opportunity to make this happen noting that if they were able to manage this on a year round basis it would be much easier to do. He stated that they only have spring, summer and early fall season to accomplish what they are requiring. He stated that he would come back with some numbers as to how they could get the work done, whether internally or externally. He expressed concerns stating that this is going to be an issue as he is not sure how they would be able to get in and get the work done and comply with the mandate without an increase somewhere. He stated that primarily it is the MPVES criteria that they are required to comply with but there is no money to do it.

Council Member Rice clarified that they are looking at contracting or outsourcing to complete the work. Public Works Director Burshten confirmed that this is one of their options. He explained that their idea is to take on some of the smaller projects internally and outsource the larger items.

Council Member Bigham noted two items to consider during the process is the current growth in the East Ravine and the commercial developments and their impact on public safety services. She stated that she would also like to see a K9 Unit for the Public Safety department.

Mayor Shiely noted that the Public Safety department has several priorities. Public Safety Director Mickelson confirmed stating that the priorities are identified and he is prepared to provide them to Council at budget time.

Mayor Shiely stated that the Public Safety department needs an outside command center especially considering the current growth rate. She stated that an outside command center is something that both the Police and Fire departments could benefit from. She stated that she does not see the K9 Unit as necessary noting that her concern about the K9 Unit is the long-

term costs. She clarified that it is not an issue of raising funds now stating that Council should know if there are any long-range affects to staffing that should be considered.

Council Member Bailey asked if there would be a point in time where the City would require a water treatment plant. Public Works Director Burshten stated that there would probably be a point in time noting that a treatment plant has always been included in the CIP. He stated that the City would have to reach a certain size before they would consider their own treatment plant.

Council Member Grossklaus referenced City headcount stating that if they want to add staff he would need a clear explanation, backed up with detail, as to why. He stated that last year several employees were added and he would have to be convinced that there is a real need.

WORKSHOP SESSION – CLOSED

NONE

ADJOURNMENT

MOTION BY RICE, SECONDED BY BAILEY, TO ADJOURN THE MEETING AT 9:45 P.M.
MOTION CARRIED 5-0.

Respectfully submitted,

Bonita Sullivan
TimeSaver Off Site Secretarial, Inc.