

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

February 15, 2006

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 & Administrative Services Director
Howard Blin, Community Development Director
Jennifer Levitt, City Engineer
Michael Zurbey, Acting Public Safety Director
Harry Taylor, Public Works Supervisor
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, February 15, 2006, 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
Michael Zurbey, Acting Public Safety Director
Harry Taylor, Public Works Supervisor
Corrine Thomson, City Attorney

Mayor Shiely presided over the meeting.

ADOPTION OF AGENDA

MOTION BY RICE, SECONDED BY BIGHAM, TO APPROVE THE AGENDA AS AMENDED.
MOTION CARRIED 5-0.

PRESENTATIONS

A. Cottage Grove Royalty

Mayor Shiely stated that representatives for the Cottage Grove Royalty are here this evening to talk about the award they won during the St. Paul Winter Carnival.

Lori Olson thanked the Council noted that Committee Member Julie Berg along with two additional Committee Members are present this evening. She provided Council with a brief history noting that in 2004 it was determined that the float could no longer be repaired and had to be replaced. She stated that they received, through hard work fundraising and through the support of companies like Tennis Sanitation, the VFW, Lions Club and 3M, donations and a trailer that they could use to build a new float. The Committee met with a group who agreed to build the float noting that many hours were invested and they did a great job. Olson stated that the float was unveiled June 18, 2005 during the Strawberry Fest parade noting that most recently Royalty, parents and committee members spent many hours decorating and preparing the float for the St. Paul Winter Carnival. She stated that the Judges surprised them prior to the start of the Torch Light Parade when they came out to award them with a trophy for First Place. She noted that they have won first place three times in the recent past in addition to winning the Queen's Award once. She thanked everyone for their donations, their time and their support stating that without the assistance of so many we would not have achieved this award.

APPROVAL OF MINUTES

A. December 7, 2005 Regular Meeting

Mayor Shiely stated that the minutes stand approved as presented.

B. December 21, 2005 Regular Meeting

Mayor Shiely stated that the minutes stand approved as presented.

CONSENT CALENDAR

Council Member Bailey pulled Items 4E, 4R and 4T for discussion. He referenced Item 4E, a resolution accepting a grant from the Gordon and Margaret Bailey Foundation. He reviewed the purpose of the foundation stating that he would like to recognize the foundation for their support of the youth in Cottage Grove and thanked them for the grant. He referenced Item 4R, a resolution accepting a donation from Marathon Petroleum to the Public Safety Department Fire Division and

thanked Marathon for their support. He referenced Item 4T stating that this is to recognize Kyle Lindquist service with the Public Safety, Health, and Welfare Commission and thanked Mr. Lindquist for his years of service and support to the City.

Council Member Bigham asked to pull Items 4S and 4J for discussion. She referenced Item 4S, a resolution regarding 800 MHZ mandates and asked City Administrator Schroeder to clarify. She noted that she is in favor with submitting their suggestions to the State Auditor's website.

City Administrator Schroeder provided Council with a clarification of the 800 MHZ mandates noting that the mandates usually create the need for local governments to provide services in ways that create costs at the local level in order to provide response to a service that is desired at a higher government level. One of these mandates is the 800 MHZ migration. He explained that the resolution is a statement about the fact that the mandate is non-funded. He further explained that the State Auditor is trying to reach out to cities and counties to determine what the impacts would be on local governments.

Council Member Bigham referenced Item 4J, a request to authorize the development of specifications and advertise for bids for a Mobile Command Vehicle. She stated that staff has spent a lot of time researching this and thanked them for their time and hard work.

Sergeant Brian Wilson stated that he and Deputy Chief Rick Redenius worked together to research a variety of Mobile Command Units to determine what would best fit the City of Cottage Grove. He explained that the research helped them identify immediate needs and what would be necessary for future expansion.

Mayor Shiely thanked the Officers for the amount time they spent researching an issue that would benefit both the Fire and Police Department.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
- B. ADOPT **RESOLUTION NO. 06-019**, RESOLUTION APPROVING FINAL PAYMENT IN THE AMOUNT OF \$10,710.51 TO DANNER, INC. FOR THE 2004 CURB AND PAVEMENT PROJECT.
- C. APPROVE CHANGE ORDER #2 FOR THE TIMBER RIDGE 6TH ADDITION PROJECT.
- D. ADOPT **RESOLUTION NO. 06-020**, RESOLUTION APPROVING THE SUPPLEMENT TO EMPLOYMENT AGREEMENT BETWEEN THE CITY OF COTTAGE GROVE AND CITY ADMINISTRATOR RYAN SCHROEDER.
- E. ADOPT **RESOLUTION NO. 06-021**, RESOLUTION ACCEPTING GRANT FROM THE GORDON AND MARGARET BAILEY FOUNDATION FOR COTTAGE GROVE RECREATION DEPARTMENT'S REC. WORKS VOLUNTEERS.
- F. APPOINT JIM WOLCOTT AS THE ALTERNATE APPOINTEE TO THE SOUTH WASHINGTON COUNTY TELECOMMUNICATIONS COMMISSION FOR A TWO-YEAR TERM OF MARCH 1, 2006 THROUGH FEBRUARY 28, 2008.
- G. ADOPT **RESOLUTION NO. 06-022**, RESOLUTION APPROVING THE FINAL PLAT NAMED PINE ARBOR 3RD ADDITION. ADOPT **RESOLUTION NO. 06-022.1**, RESOLUTION AUTHORIZING THE PREPARATION OF A FEASIBILITY REPORT FOR THE PINE ARBOR

3RD ADDITION PROJECT.

- H. ADOPT **RESOLUTION NO. 06-023**, RESOLUTION APPROVING A SITE PLAN REVIEW OF A 3,750 SQUARE FOOT RETAIL BUILDING TO BE LOCATED AT 7009 JORGENSEN LANE SOUTH.
- I. APPROVE THE SUBDIVISION AGREEMENT WITH US HOME CORPORATION FOR PINECLIFF 2ND ADDITION.
- J. AUTHORIZE THE DEVELOPMENT OF SPECIFICATIONS AND THE ADVERTISEMENT FOR BIDS FOR A MOBILE COMMAND VEHICLE.
- K. ADOPT **RESOLUTION NO. 06-024**, RESOLUTION APPROVING THE FINAL PLAT NAMED LEHIGH ACRES. ADOPT **RESOLUTION NO. 06-024.1**, RESOLUTION AUTHORIZING THE PREPARATION OF A FEASIBILITY REPORT FOR THE LEHIGH ACRES ADDITION PROJECT.
- L. ADOPT **RESOLUTION NO. 06-025**, RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS AND ESTABLISHING A BID DATE FOR THE PINECLIFF 2ND ADDITION UTILITY, STREET AND STREET LIGHTING IMPROVEMENT PROJECT.
- M. ADOPT **RESOLUTION NO. 06-068**, RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS AND ESTABLISHING A BID DATE FOR THE WELLS #4 AND #5 ELECTRICAL UPGRADES PROJECT.
- N. ADOPT **RESOLUTION NO. 06-027**, RESOLUTION APPROVING THE 2006 MINING PERMIT FOR AGGREGATE INDUSTRIES, INC.
- O. AUTHORIZE THE PURCHASE OF 40,000 POUNDS OF CRAFCO 221 CRACK SEALANT.
- P. AUTHORIZE THE PURCHASE OF ONE NEW HOLLAND TS115A TRACTOR FROM WERNER IMPLEMENT AND DIAMOND FLAIL MOWER PACKAGE FROM DIAMOND MOWERS FOR A TOTAL PURCHASE PRICE OF \$55,081.49.
- Q. ADOPT **RESOLUTION NO. 06-028**, RESOLUTION APPROVING THE ABATEMENT OF THREE UTILITY BILL CERTIFICATIONS TO PROPERTY TAXES.
- R. ADOPT **RESOLUTION NO. 06-029**, RESOLUTION ACCEPTING DONATION OF MONEY FOR THE DEPARTMENT OF PUBLIC SAFETY FIRE DIVISION FOR THE PURCHASE OF A VENTILATION AND FIREFIGHTER ESCAPE TRAINING PROP AND ADDITIONAL FITNESS EQUIPMENT.
- S. ADOPT **RESOLUTION NO. 06-030**, RESOLUTION REQUESTING FULL FUNDING FOR 800 MHZ PUBLIC SAFETY RADIO COMMUNICATIONS.
- T. RECOGNIZE KYLE LINDQUIST AND COMMEND HIM FOR HIS SIX YEARS OF SERVICE ON THE CITY'S PUBLIC SAFETY, HEALTH, AND WELFARE COMMISSION.
- U. ADOPT **ORDINANCE NO. 783**, AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, MINNESOTA; AMENDING OF THE COTTAGE GROVE CITY CODE RELATING TO FEES. ADOPT **RESOLUTION NO. 06-031**, RESOLUTION AUTHORIZING PUBLICATION OF ORDINANCE NO. 783 BY TITLE AND SUMMARY. ADOPT **ORDINANCE NO. 784**, AN ORDINANCE ESTABLISHING FEES. ADOPT **RESOLUTION NO. 06-032**, RESOLUTION AUTHORIZING PUBLICATION OF ORDINANCE NO. 784 ESTABLISHING FEES BY TITLE AND SUMMARY.
- V. ADOPT **RESOLUTION NO. 06-033**, RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ESTABLISHING A BID DATE FOR THE 2006 CURB AND PAVEMENT PROJECT.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

NONE

PUBLIC HEARINGS

NONE

BID AWARDS

NONE

UNFINISHED AND NEW BUSINESS

- A. Consider Adopting a Resolution Authorizing the EDA Use of Eminent Domain Proceedings concerning Cottage Square Site Redevelopment.

City Administrator Schroeder provided Council with a brief overview of the eminent domain process and a history of the Presbyterian Homes request for use of eminent domain. He noted that several parties are present and would like to present their concerns to Council.

Schroeder stated that on January 13, 2004 Presbyterian Homes entered into a purchase agreement with Phoenix Partners to acquire the Cottage Square Shopping Center. He stated that they closed on the property in late November 2004 and on March 16, 2005; the City Council adopted a business subsidies resolution for this project. Since they acquired the property, Presbyterian Homes has been conducting environmental testing and mitigation, site engineering and tenant relocation. Schroeder indicated that Presbyterian Homes have also acquired the Goodyear and BP Amoco sites, which were outside of the development agreement with the City. Since the end of 2003, all of the tenants have either voluntarily left or have relocated except for the Demori's Restaurant and Snyder Drug Store. The agenda packet includes memorandums from Bob LaBrosse, Building Official, P.J. McMahon, Fire Marshall; and Howard Blin, Community Development Director that summarizes their observations from a recent site visit and includes their conclusions.

Schroeder reviewed the contingencies with Council noting that it was indicated that the developer had reached a preliminary agreement with the last two tenants located on the property. He explained that the owner of Demori's has since reconsidered their agreement and it appears that the anticipated handshake agreement made on February 6, 2006 between Demori's and Presbyterian Homes will probably not happen. He indicated that the EDA voted 6-2 at their last meeting to approve the decision for use of eminent domain noting that this does not close down the opportunity for all parties to come to an agreement outside of this.

Bob VanSlyke, Presbyterian Homes, provided Council with a brief overview of the recently developed site plan. He said that this is a very preliminary draft for the site and is likely to change many times before they begin the planning application process. Mr. VanSlyke reviewed the preliminary layout stating that the proposed senior housing, with approximately 150 to 160 units, would be located on the south end of the site. The buildings would include dining rooms, a fitness center, a movie center, and a multi-purpose room.

Mr. VanSlyke stated that a detailed plan of the exterior has not been developed yet noting that materials would probably be a combination of brick, cultured stone, hardy board and panels. The site size for the proposed senior component would be approximately 6.2 acres and would be 40-feet back from the property line. VanSlyke stated that he was not sure how far back it would be from the current single-family homes located on the hill. The buildings would be four-stories tall noting that there is a significant difference in the elevation between the senior entrance and the current single-family homes. VanSlyke assured Council that this area of the project would be reviewed and the differences would be further clarified in the formal application.

Mr. VanSlyke stated that a civil engineer has been hired and preliminary discussions have taken place with the Watershed District. He stated that Griffin Companies has been hired to assist with the retail/commercial piece noting that the retail project would be located on the northern end of the site. He said their intent is to continue to own and do not plan to sell any of the retail portion, because they want to be able to maintain the grounds and keep a consistent look between the senior housing and retail with landscaping design and materials. VanSlyk reviewed the proposed parking, which includes one unit of underground parking to one unit of independent living, approximately 80-90 underground spaces. He stated that the remaining parking, as required by City ordinance, would be surface parking.

Council Member Bigham asked if they have similar sites in the area. Mr. VanSlyke stated that they have similar senior housing and independent living campuses located in Inver Grove Heights, Woodbury, and Mahtomedi with a retail/commercial campus located at 90th and Lyndale.

Council Member Bigham stated that she is happy with the parking and green space. She stated that she likes the overall plan.

Mayor Shiely stated that she understands that they are not ready to be specific with the retail portion of the site noting that it would be conveniently located for all of the residents on the north side of the highway.

Council Member Grossklaus asked for a timeline of the project. Mr. VanSlyke stated that they have developed the site plan noting that it is their intent to file the applications this spring that would begin the process for the senior housing portion and hopefully early summer for the start of the retail portion of the project. He stated that the senior housing portion would take approximately 13 months to build noting that they could not begin the project until the existing mall is demolished.

Bob Lindahl, Attorney, Kennedy and Graven, stated that he present as an advisor with respect to the public sector condemnation process. He provided Council with an overview of the process noting that the Legislature is currently entertaining proposals that would modify the current law and how condemnation could be used. He stated that the modifications would be applicable to petitions filed after March 2006. Lindahl explained that if the Council wishes to entertain condemnation, the resolution would have to be approved tonight. He reviewed the current condition of the mall noting that its current condition presents a number of safety issues. He suggested that Council consider adopting the resolution for eminent domain tonight and not file for condemnation until he has the opportunity to discuss all options with all involved parties. He assured Council that he would work with everyone to try to find a solution that would benefit everyone.

Mayor Shiely asked if all of the businesses were given relocation assistance. Mr. Lindahl stated that a consultant has been retained to work with the tenants to identify comparable locations and assured Council that the relocations would comply with all City regulations.

Dave Leonard, Snyder's Drug, assured Council that he believes this is a great proposal and would like to be a part of it. He expressed frustration stating that he has tried for three years to be a part of this project with no success. He provided Council with a brief overview of the events adding that he is very aware that the area is blighted and is in need of renovation. He indicated that he had spoken with Allen Black, Presbyterian Homes, to express his interest in participating in the project as they have been in Cottage Grove since 1961. He expressed concerns regarding the impact this could have on his current client base noting that pharmacy files, by law, cannot go dead, they have to remain active and he does not have a location nearby, which would mean he would have to transfer his files to Target or Walgreen's. He stated that he spoke with several individuals regarding his interest to be a part of the process adding that he is very frustrated at the lack of response to his inquiries.

Mr. Leonard stated that many of his employees are concerned about their jobs and many of his customers have expressed concerns about their prescriptions. He has assured everyone that it is their plan to remain at their current location but is frustrated that Presbyterian Homes has not provided him with a copy of the site plan or proposal. He stated that he finally decided in the summer of 2004 that the best approach would be to get out of the way of the developer. He started the process of purchasing another building, the papers were signed and, he was waiting to close the deal when he received a call from the title company telling them not to cash the check, there was another interested party, the Griffin Companies. He stated that he then contacted Community Development Director Blin to discuss the particulars of the property including road access points; easements, watershed issues and drainage. He stated that Community Development Director Blin indicated that he would support his proposal for the property but he received a letter from the City on December 9, 2004 stating that there was an agreement in place to sell the property to another party.

Mr. Leonard stated that he is very frustrated that he has not received any responses to his inquiries. He stated that he did receive an email from Wayne Grasken asking about his needs for the store and where they would like to relocate adding that he responded immediately with his information. He stated that he has also met with City Staff to try to find out what was happening with the project and the property. He stated that he also asked at that time to meet with Presbyterian Homes and the City and has yet to receive a response. He stated that after waiting two weeks he did contact Presbyterian Homes and was disappointed to be told that they were not interested in meeting with him. He stated that he received the letter of intent from the Griffin Companies on October 10th. He noted that a site plan was included with the letter of intent and asked how they could present this letter without knowing where the store would be located. He stated that they have a signed lease for this property through 2014 and that he has filed a lawsuit against Presbyterian Homes for a breach of their lease agreement. He stated that they have an obligation to keep the property up adding that its current condition is completely unacceptable. He stated that they have repeatedly expressed their interest to be a part of this project for the last three years and are very frustrated that they are not being included in the process. He stated that they are a Minnesota company with 68 stores throughout the State. He stated that he feels like he is being beaten up by the big boys noting that the store has lost over a million in sales due to this situation. He stated that he wants very much to remain in Cottage Grove.

Council Member Rice noted that the company recently went through a bankruptcy asked Mr. Leonard when it actually happened. Mr. Leonard explained that it was filed in 2003 and ended in 2004. He stated that they are fine now financially and are moving forward.

James Noos, Attorney representing Snyder's, stated that Dave Leonard brought this issue to his attention in late August 2005 noting that Mr. Leonard was very frustrated with the condition of the property. He reviewed mall conditions noting that a meeting with Community Development Director Blin and City Administrator Schroeder was scheduled for October 1, 2005 to discuss two issues; what was happening with the redevelopment project and what would happen to Snyder's Drug Store in the redevelopment process. He indicated that Community Development Director Blin and City Administrator Schroeder had appeared to be surprised when they were told that Mr. Leonard had not received any communications from Presbyterian Homes and that they indicated that they would see what could be done to schedule a meeting. He stated that they also discussed the second concern raised, which was the condition of the mall.

Mr. Noos stated that Snyder's Drug Store is asking that the Council table their decision and allow them time to meet with Presbyterian Homes to see about the possibilities of being involved with this project.

Mayor Shiely clarified with Mr. Lindahl that all parties involved would still have the opportunity to meet and discuss available options. Mr. Lindahl confirmed and assured Council that if there is a motion tonight that he would personally commit to working with them to find the best solution.

City Attorney Corrine Thomson noted that it appears the communication between the developers and Snyder's has been less than what the City Council would have expected. She stated that this would provide the EDA with more control over what would happen going forward as they are in control of the eminent domain issue. She stated that the parties involved have had a significant period of time to work things out and haven't and if the resolution is passed, the EDA would have greater control over what happens. The EDA could ensure that the communication happens and the needs of the tenants are understood.

City Administrator Schroeder stated that the City has tried to maintain a position as a financing conduit for a portion of the project and clarified that the Developer is responsible for relocation not the City. He stated that the City has tried not to insert into the negotiations noting that they are aware that Snyder's has expressed an interest in maintaining their involvement with this site and it is also his understanding that there are some differences of opinion.

Mr. Leonard referenced the October 1, 2005 meeting with City Staff and asked why they did not follow through on their commitments. Community Development Director Blin noted that shortly after the October 1st meeting Griffin Companies provided their letter of intent and it was their thought that discussions were taking place between the two parties and felt that a meeting was not needed.

Mayor Shiely clarified that this is a situation between Presbyterian Homes and Snyder's, not the City. She noted that Snyder's has an active lawsuit against Presbyterian Homes adding that they are not going to fight this lawsuit in front of the Council

Council Member Bailey assured Mr. Leonard that no one from the Council wants to see Snyder's leave Cottage Grove. He noted that the letter of intent from Griffin Companies was provided to Snyder's on October 10th and asked if this was when they had decided not to talk with them further. He noted that it sounds like they want to remain on the site but might not be able to and that they have had the option to find another location, but have chosen not to look.

Mr. Leonard stated that he did talk with Griffin Companies regarding their letter of intent noting that he asked them for initial project information and a site plan. He stated that he has not received any information from Presbyterian Homes since they received the letter of intent.

Mr. Leonard explained that when they considered purchasing the Goodyear store it would have resolved the issue on both sides noting that they even offered to match building materials to the proposed site. He asked Council to consider giving them more time. He expressed concerns stating that eminent domain should not be used to allow one private entity to push out another private entity.

Mr. Lindahl suggested that Council approve the resolution for eminent domain with the understanding that they file the petition but not give the quick take notice until it comes back to the EDA for review. He stated that this would allow them the time to address the situation without being locked into a 90-day timeframe.

Zak Grover, Presbyterian Homes Representative, assured Council that they do not want to argue the merits of the lawsuit this evening. He noted that many of the individuals referenced earlier are not present this evening to respond or rebut. He stated that they would welcome the EDA's and the City's involvement noting that the EDA could help facilitate the negotiation process with Snyder's. He urged Council to make a decision this evening noting that it is an ongoing process that has to move forward in order for the development to happen.

Council Member Grossklaus stated that he has always been against eminent domain and believes that it is a horrible way for a City to do business. He stated that there were several issues brought to light this evening that he was not previously aware of adding that it is his intent to vote against eminent domain.

Council Member Bigham stated that she would not support this either. She stated that she feels that this is a business deal gone awry and does not believe that the City should be involved.

Mayor Shiely stated that for the period of time that she has served as a member of the Council they have never actually had to go through this process. She stated that Council has always been very reluctant to use this type of process to resolve a problem. She stated that this shopping center has been an issue for several years noting that it has not been in good condition for many years. She stated that the City of Cottage Grove has a public need for senior housing and this presents an opportunity to address that need. She stated that she does not like the concept of eminent domain and it is her hope that they will not have to use it. She stated that in fairness to the tenants who have moved voluntarily she would reluctantly vote in favor of the eminent domain proposal. She stated that it is her hope that all parties would be able to settle this issue prior to the time where they would be required to use eminent domain.

MOTION BY RICE, SECOND BY BAILEY, TO ADOPT **RESOLUTION NO. 06-034**, RESOLUTION

AUTHORIZING EDA USE OF EMINENT DOMAIN PROCEEDINGS AND THAT THE QUICK TAKE BE DELAYED UNTIL FURTHER ACTION BY THE EDA. MOTION CARRIED 3-2 (NAY-GROSSKLAUS/BIGHAM).

Mayor Shiely called a five-minute break at 9:09 p.m.

Mayor Shiely called the meeting back to order at 9:18 p.m.

- B. Consider Adopting an Ordinance Amending Tobacco Code Violation Fees Per City Council Direction from the January 18, 2006 Regular Meeting.

MOTION BY BIGHAM, SECOND BY BAILEY, TO ADOPT **ORDINANCE NO. 785**, AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, MINNESOTA, AMENDING TOBACCO CODE VIOLATION FEES. MOTION CARRIED 5-0.

- C. Consider Authorizing the Preparation of a Feasibility Report and Authorizing Staff to Accept the MnDOT FY 2007 Municipal Agreement Funding for the Jamaica Avenue Roundabouts.

City Engineer Levitt provided the Council with a brief overview of the roundabout project. She reviewed an overhead map of the roundabout location noting that the congestion on the exit ramps is what initiated the proposal for a feasibility report and review of roundabouts. She reviewed financing options noting that it also includes pursuing and agreement with MnDOT for funding. She stated that Staff is requesting that Council accept the funding offer and authorize Staff to move forward with the feasibility report.

Council Member Bigham noted that there would be a lot of semi-truck traffic and asked if the width of the lanes would be wide enough to manage large plows and trucks. City Engineer Levitt assured Council that the design of the lanes and all costs would be clearly defined as they move into the feasibility study phase.

Council Member Bailey stated that he is concerned that the lanes would not be wide enough to handle large trucks. He asked that they pay close attention to the curb cuts and be sure that the lanes are wide enough to handle the increased truck traffic that would be generated for trucks out of the industrial park area.

MOTION BY BAILEY, SECOND BY GROSSKLAUS, TO ADOPT **RESOLUTION NO. 06-035**, RESOLUTION AUTHORIZING THE PREPARATION OF A FEASIBILITY REPORT FOR THE JAMAICA AVENUE ROUNDABOUTS AT TH61 AT JAMAICA AVENUE AND WEST POINT DOUGLAS ROAD. MOTION CARRIED 5-0.

MOTION BY BAILEY, SECOND BY GROSSKLAUS, TO ADOPT **RESOLUTION NO. 06-036**, RESOLUTION ACCEPTING FUNDING FROM MNDOT THROUGH THE MUNICIPAL AGREEMENT PROGRAM FOR IMPROVEMENTS TO THE INTERSECTIONS OF TRUNK HIGHWAY 61, JAMAICA AVENUE AND WEST POINT DOUGLAS ROAD IN THE CITY OF COTTAGE GROVE. MOTION CARRIED 5-0.

- D. Consider Approving a Resolution Approving a Comprehensive Plan Amendment to

Incorporate the 2006-2010 Capital Improvements Plan (CIP).

Finance and Administrative Services Director Hedberg provided Council with a brief overview of the Comprehensive Plan amendment to incorporate the 2006-2010 Capital Improvements Plan. He explained that the CIP is a planning document that helps to identify projects over a five-year period. He stated that projects include public facilities; public buildings and infrastructures; utilities; and playgrounds. He reviewed the overall costs for the next five years noting that as they get closer the numbers could change. He reviewed the Annual Debt Service Levy and Debt Service Costs noting that the goal is to maintain a consistent level of funding as they move into the future.

Council Member Grossklaus asked why the Public Works Commission wants to accelerate certain projects. City Engineer Levitt explained that during the wash down the sediment is not being captured, as it should be, which is why they have requested acceleration of certain projects.

Council Member Grossklaus asked if selling the fire station would have any affect on the project. Public Works Supervisor Taylor assured Council that this is basically a housekeeping issue within the Public Works Department. He explained that this issue was discussed at the January 9, 2006 Public Works Commission meeting noting that they do see the need to control the runoff and add some sedimentation manholes to catch sediment runoff. He assured Council that purchasing the fire station would not impact this operation.

City Administrator Schroeder stated that Staff plans to closely review City facilities. He indicated commentaries from Council have been received concerning the usage of the current fire station. He assured Council that all concerns have been considered noting that potentially, there is no reason to rush into anything specific if the intent is to consider other facilities. He stated that Staff also wants to determine whether this option would be a long-term project and solution or a short-term fix.

Council Member Rice clarified his understanding that the MPDS is a five-year plan, that the City is in the fourth year of that plan and that the City still has some time left before a decision has to be made. He suggested pushing this out to next year. City Engineer Levitt confirmed stating that five years is an ideal period to capture the necessary information noting that unknown future constraints could also be included.

Council Member Bailey asked if this would come back with a budget next year. He stated that if the City is going to require everyone to comply the City should be a good steward in the process. He stated that he does not want to spend the money now only to find out that everything is going to change and cost more. He stated that he would like to see a budget request come through for 2007.

MOTION BY RICE, SECOND BY BAILEY, TO ADOPT **RESOLUTION NO. 06-037**, RESOLUTION APPROVING A COMPREHENSIVE PLAN AMENDMENT TO THE CITY'S COMPREHENSIVE PLAN 2020 TO INCORPORATE THE CAPITAL IMPROVEMENTS PROGRAM (CIP). MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

NONE

COUNCIL COMMENTS AND REQUESTS

Council Member Bigham recognized Al Dubois for his six years of service on the Parks and Recreation Commission. She recognized Kathy Klein for her service on the Human Rights Commission.

Council Member Bigham stated that she is concerned about family businesses disappearing from the neighborhoods. She suggested holding a workshop or having a general discussion around how the Council would like to see family businesses developed.

Council Member Bailey stated that he would like an update on the planned joint meeting with the City Council and the School Board.

City Administrator Schroeder stated that he has sent an email to the School Board noting that he is having difficulty finding a mutual date. He stated that he would work out a schedule and update the Council.

Mayor Shiely stated that Park Senior High School is hosting the Taste of South Washington on Tuesday, February 21, 2006 from 4:00 p.m. to 8:00 p.m. She stated that it would include several area restaurants and encouraged everyone to come out and join in the fun.

PAY BILLS

MOTION BY GROSSKLAUS, SECONDED BY RICE, TO APPROVE PAYMENT OF CHECK NUMBERS 143702 THROUGH 143870 TOTALING \$591,112.21 (CHECKS 143702 – 143728 TOTALING \$174,664.16 ISSUED PRIOR TO COUNCIL APPROVAL.) MOTION CARRIED 5-0.

Mayor Shiely called a 5-minute break at 9:57 p.m.

Mayor Shiely called the meeting back to order at 10:05 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
Michael Zurbey, Acting Public Safety Director
Les Burshten, Public Works Director
Corrine Thomson, City Attorney

WORKSHOP SESSION – OPEN

A. 800 MHz Communication

Captain Woolery provided Council with a brief history and overview of the 800 MHz service noting that Nextel, cell phones and radio bandwidth, drove the project. He noted that digital technology and computers are quicker and faster adding that Public safety agencies are getting too busy and traffic channels are full, the change is necessary. He stated that since September 11th, radio communication became the number 1 Homeland Security issue. He provided Council with an overview of the Anti-terrorism bill and Minnesota's six-phase plan. He stated that direction has been given and 800 megahertz is it. He explained that the service would provide firefighters with in-building coverage, the same as an officer noting that consistency is necessary for all County systems. He stated and that it would improve not only the large-scale events but also the day-to-day operations. He stated that the service would improve safety for all emergency responders noting that the only way to get it done, due to the expense, is to do this jointly. He explained that the City of Cottage Grove has had their own dispatch center for over 30-years adding that now the City has new technology and costs to face. He stated that the current system is 30-years old and they are having difficulties finding the correct parts for maintenance and repairs.

Captain Woolery provided an overview of the 800-system noting that it is an efficient system that runs three services on one channel, police, fire and EMS. He indicated that the City could keep their VHF system noting that they would eventually have to change over to the new system. He stated that the change is something that has to be done one way or another. He provided Council with an overview of the costs for the new communication center, the budget impacts, and funding. He stated that based on the projected growth patterns of the City, more dispatchers would be needed by 2008.

Mayor Shiely clarified that it is her understanding that the costs are what the County has already been charging for several years. She explained that the County has been charging the City for the Communications Center despite the fact that the City has their own. She noted that citizens have been paying \$67.23 a year while others pay \$27.00. She asked if this has been explained.

Finance and Administrative Services Director Hedberg stated that this charge is included in the property taxes as a blanket charge.

Captain Woolery stated that the conversion is happening throughout the seven-County metro area. He stated that the functionality is great noting that what it all comes down to is what the citizens of Cottage Grove gain and or lose with a consolidated system. He stated that if they decide to move forward with the conversion they should make sure they have enough people to do the job while managing the costs.

Acting Public Safety Director Zurbey stated that the proposal would include recommendations for coverage and for the levels of service.

Mayor Shiely stated that she does not want to give up the Communications Center or the jobs as a trade for a different level of service.

Council Member Bigham clarified that Cottage Grove officers use a paper system and asked how much it would cost to covert to the new system.

Captain Woolery acknowledged that Cottage Grove has been an island of sorts noting that they are currently separated from Dakota County and they do not communicate with Washington County. He stated that they are currently making enhancements to the record system noting that it would cost approximately \$500 per car to install the new system.

Council Member Bailey referenced the service values noting that currently the City has the ability to locally initiate the civil defense sirens and asked if this would change if they move to the County system. He asked if the sirens would go off in Cottage Grove when something is happening in a neighboring City. Captain Woolery stated that the sirens would still be governed by the weather service but with the new system it would be managed by the County, but the City would have the ability to make observations.

Council Member Bailey expressed concerns noting that the City would have to come up with \$200,000 in short timeframe and asked if this would be an improved service. Captain Woolery stated that the system would be improved noting that it would definitely be a change in the way Cottage Grove currently does business.

Council Member Grossklaus noted the costs and asked if it is necessary to involve the Public Works Department. Acting Public Safety Director Zurbey stated that it is very necessary to include the Public Works Department noting that they have had major disasters occur in the area where they have worked hand in hand with the Public Works Department.

Council Member Grossklaus asked if all vehicles would require a unit. Captain Woolery stated that certain areas would not have a unit noting that it would be based on need. He stated that all units would have the ability to talk with State, County or City vehicles, and dispatch.

Council Member Bigham clarified that it is her understanding that resident 911 calls would go through a random pool of dispatchers. She expressed concerns stating that it has been very helpful to have dispatchers who are familiar with the area. Captain Woolery confirmed that the 911 calls would go through a random pool of dispatchers and provided Council with scenario of how the process would work with the new system. He acknowledged that it has been very helpful to have knowledgeable dispatchers noting that the final responsibility to find a location is up to the officer, not the dispatcher.

Council Member Bigham asked Fire Chief Byerly if there are any concerns or impacts to the Fire department. Fire Chief Byerly stated that some of the changes might not be good for them noting that currently they have six squads at night adding that he is not sure if Washington County would be able to dispatch. He stated that they would probably detail a firefighter to Station 2 to perform liaison duties for major calls.

Mayor Shiely stated that the community truly values the Cottage Grove Communications Center and the residents have said that they are willing to pay for having their own center. She knows that the City will eventually have to change over to the 800 MHz service and asked if Staff has worked with the County to determine if something could be worked out to maintain some form of the communications center. She stated that she would not vote to eliminate the communications center if Staff has not made every effort to negotiate with the County. She asked that they not use Dakota County as a comparison noting that there are too many differences with respect to access and location.

City Administrator Schroeder stated that Staff has been hesitant to go too far down the road because they have not had buy in from the Council. He stated that Staff is looking for direction from the Council on this issue. He stated that it is Staff's belief that the numbers shown are compelling and the interconnectivity is just as compelling. He assured Council that this could be an amazing resource adding that the City should be and needs to be a part of it.

Council Member Rice agreed stating that discussions should be had with the County. He asked Staff to investigate all options and update the Council.

Council Member Bailey agreed that whether this happens now or in the future, this is going to happen. He stated that at some point in time there would probably be a need for a north and a south dispatch center in addition to the Washington County dispatch and suggested discussing the possibilities of a South Washington County dispatch center. Acting Public Safety Director Zurbey stated that they could include this on the list noting that he is quite sure that the comments back would be with respect to costs and funding.

B. K9 Program

Acting Public Safety Director Zurbey reviewed the cost factors and updated information with Council. He stated that a decision should be made soon in order to be able to reserve a spot, at a reduced rate, for the spring K9 class. He stated that they should also determine whether the City could afford a K9 unit. He stated that the Crime Board has indicated that they would not mind managing the funds for the program but they do not want to have to raise the funds. He stated that they do not want to commit to the K9 program without funding or fundraising.

Council Member Bigham agreed that there is a need for a financing board noting that 3M has sent an application with \$5,000 to the Crime Board but they were reluctant to complete it until Council had made a decision.

Council Member Rice stated that he does not want the fundraising to be the key to getting a K9 dog. He stated that the City should determine whether they could afford it through the budget process and then consider fundraising to help maintain the costs.

Acting Public Safety Director Zurbey confirmed that there would be ongoing expenses noting that they could probably start the program with \$10,000 if they were to use an old squad. He stated that they could do some fundraising for an additional \$10,000. He noted that in two years they would be back to discuss a new squad.

Council Member Bigham stated that she is confident that the fundraising would be there for the program noting that both 3M and Cogentrix have expressed a willingness to contribute to the K9 program.

City Administrator Schroeder stated that this position is a premium paid position in most Cities and the Council should be aware that this position would be a part of the next contract negotiation. He stated that Staff is looking for direction from Council noting that the department would like to provide notice to the K9 Foundation that they are in for a 2007 K9 unit. He stated that they are looking for an answer fairly soon.

WORKSHOP SESSION – CLOSED

NONE

ADJOURNMENT

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO ADJOURN THE MEETING AT 11:30 P.M. MOTION CARRIED 5-0.

Respectfully submitted,

Bonita Sullivan
TimeSaver Off Site Secretarial, Inc.