

# REGULAR MEETING COTTAGE GROVE CITY COUNCIL

June 7, 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 and Administrative Services Director  
Howard Blin, Community Development Director  
Michael Zurbey, Acting Public Safety Director  
Les Burshten, Public Works Director  
Corrine Thomson, City Attorney

Not Present: None.

John Winter, 9105 Indian Boulevard, referenced 9105 Gideon Boulevard stating that he has several questions and concerns with an encroachment issue. He stated that he would like to provide Council with a folder of information and questions for their review adding that he is available for discussion at a later time. He noted that this would not be the appropriate place to air the issues adding that he does want to discuss his concerns with Council.

Mayor Shiely thanked Mr. Winter for providing the information stating that Council would review the information and respond at the next City Council meeting.

Roger Grossklaus, 8189 76<sup>th</sup> Street South, stated that he has concerns with the code enforcement process. He referenced articles included in the South Washington Bulletin that addressed personal property code violations and how residential areas are maintained noting that he is aware that the City has added code enforcement positions to the City Staff and would like to know when they can expect to see results. He expressed concerns stating that he is very tired of seeing all the junk in people's yards and would like to see some progress on code enforcement.

Dana Handeland, 9109 Indian Boulevard, stated that he would be addressing the Council to

request a variance noting a letter received from the City with regards to removal of a fence from the backside of his residence. He provided Council with several examples of other areas and properties within the City that are similar to his situation and would also be in violation of City Code. He stated that he is available at 651-458-5662 most evenings and would like to discuss this further with the Council.

Richard Larsen, 8901 Granada Av So, stated that he is tired of listening to the City complaints about having to maintain the old mall area. He expressed concerns noting that there is nothing located in this area anymore. He stated that he has lived in the area for 46-years and since the changes he has had to travel further down the highway to have his prescriptions filled noting that he is concerned that the swimming pool and remaining businesses would eventually be removed too. He asked Council where small businesses should go when the areas they were able to afford are gone. He reviewed his concerns with the lack of handicap parking at the restaurant, safety issues and break-in problems for the businesses currently located at the smaller mall. He stated that there is a need for improved security in the area noting that he is concerned about the small business owner's ability to stay in business.

### CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota held a regular meeting on Wednesday, June 7, 2006, at the Cottage Grove City Hall, 7516 80<sup>th</sup> 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  
Michael Zurbey, Acting Public Safety Director  
Les Burshten, Public Works Director  
Corrine Thomson, City Attorney

Not Present: None.

### ADOPTION OF AGENDA

Mayor Shiely stated Item 6A, the Public Hearing on the requested vacation and discontinuance of certain drainage and utility easements on the property known as 9445 and 9449 Dunes Lane South has been removed the agenda and would be rescheduled.

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

## PRESENTATIONS

### A. Presentation by Strawberry Fest Committee

Caron Stransky, City Clerk, stated that as the Chairperson for the Strawberry Fest she would like to take a moment to personally thank each member of the Strawberry Fest Committee for their hard work and support for this year's event. She stated that without them the event would never have happened. She stated that event T-Shirts and buttons are currently on sale at the Cub Foods Store and City Hall. She noted that the t-shirts and buttons would also be on sale at all of the tournaments adding that great prizes could be won with the buttons. She reviewed the schedule of events with Council noting that the tournaments at Kingston Park are scheduled from June 15<sup>th</sup> through June 17, 2006; the Pageant would be held on Thursday evening; the carnival is scheduled to open Thursday evening and would run through weekend, closing at 3:00 p.m. on Sunday; the Police and Fire Departments would hold their second annual softball game; the annual parade is scheduled for 10:30 a.m. with KARE 11 Meteorologist Sven Sundgaard as the Grand Marshall, she noted that Mr. Sundgaard would also broadcast live from the carnival. She explained that residents could receive a 40-percent discount when purchasing the carnival tickets at City Hall noting that they could receive 25 tickets for \$15.00. She stated that the two-day event would include music, free entertainment throughout each day in addition to a Drive 105 Battle of the Bands competition that would include six local bands.

Mayor Shiely thanked everyone for their involvement with the Strawberry Fest noting that the event would take place on Father's Day weekend and not something to miss. She encouraged everyone to come out and have a great time.

### B. Preservationists of the Year Award: Carl and Norma Manke

John Burbank stated that this is the 19<sup>th</sup> Annual Preservationist of the Year Award to be given noting that the Advisory Committee wanted to make this a part of the community celebration. He explained that this year's award goes to Carl and Norma Manke who have been responsible for maintaining the Cottage Grove Cemetery for over 40 years. He stated that this year the cemetery celebrates 150-years noting that one of the first buildings in Cottage Grove is located in the cemetery and is one of the buildings maintained by Carl and Norma Manke. He explained that the Manke's took over the care of cemetery facilities 44-years ago and reviewed the history with Council. He congratulated the Manke's and thanked them for their support and assistance in maintaining a piece of Cottage Grove's history.

Mayor Shiely and the City Council presented Carl and Norma Manke with the Preservationist of the Year Award. She recognized their outstanding contributions to the City's historic resources and thanked them for their efforts in preserving the history and maintaining the Cottage Grove Cemetery.

C. Ice Arena Site Plan

Zak Docktor, Parks and Recreation, provided Council with a brief history noting that Staff met with the School District in March to ensure that City and School District work closely on the Ice Arena project. He explained that the School District approached Staff to notify the City of their plans to replace the playground. He further explained that City Staff and the School District discussed all priorities noting that the School District wants to upgrade the varsity softball fields by the Spring of 2007 and need to move the playground equipment sometime this summer. He stated that they do not want to touch the varsity baseball fields at this time but do want more green space for the phy-ed. He stated that the City would prefer to keep the land site for the Ice Arena noting that a landscape designer was hired to provide options to consider. He stated that the landscaper provided three options noting that the City and School District have been able to agree on one of the options. He provided Council with a brief overview of the concept and landscape design noting that both the City and School District are in general agreement with the current proposal. He stated that no one has signed off on the final plan adding that the next step would be to meet with the School District to discuss the funding options. He assured Council that he would keep them informed of the progress.

D. Park Encroachment Issues

Zak Docktor, Parks and Recreation, provided Council with a brief overview of the identified concerns with respect to public property encroachment in the City of Cottage Grove. He reviewed City Code 7-3-4, and the management areas noting that this includes 1,100 acres of land within Cottage Grove. He briefly discussed the code enforcement process and the reasons for enforcement with Council. He reviewed the levels of encroachment noting that most includes plantings, small and large gardens, fire pits, parking of trailers and boats, and the installation of swimming pools in areas that are considered to be public property. He provided Council with several examples of the problem areas and explained that the current process used by Staff to address encroachment issues includes staff observation of the areas and through citizen complaints. He explained the notification process noting that initially a door hanger notification is left, followed by a mailed letter to residents within 14-days, followed by a certified letter that provides residents with a 14-day timeframe to eliminate the encroachment. He stated that each situation is handled on a case-by-case basis noting that no fines or penalties have ever been assessed. He asked Council to review the proposed procedures noting that Staff is recommending that the City actively seek out and resolve encroachment problems. He stated that the recommendation includes a four-year implementation plan noting that the communication process would remain the same but the City would become more active with applying penalties and fees.

Mayor Shiely asked for clarification on how Staff would enforce the 14-day timeframe. Mr. Docktor explained that one of the ways to resolve the encroachment problem is to post permanent signs that would include the Cottage Grove City Logo, which would help to clarify and identify park property from private property

Council Member Rice asked for clarification on how much the City is spending this year for the survey process. Mr. Docktor clarified that the survey expense for this year would be approximately \$7,000 noting that it would cost approximately \$100 per property post.

Council Member Rice urged the Council to support Staff with this process noting that he has had several residents try to plead their case with respect to encroachment onto City property. He explained that this is an important issue for Council to support noting that there are several locations within the City where structures have been built or placed on City property. He stated that residents need to understand and be told that these structures do not belong on City property.

Mayor Shiely agreed stating that she feels very strongly that public land belongs to all the citizens of Cottage Grove adding that individual residents do not have the right to take or use land that does not belong to them. She recalled the Federal Government mandate given to the City to clear out the storm water drainage areas stating that this requirement should apply whether it is a storm water area or park land. She explained that part of the problem here is that the City has been too casual with enforcement and now, with receiving both Federal and State mandates, the City must become more diligent with enforcing City Code as it applies to encroachment onto public property. She suggested incorporating a process of educating the public and to give the public time to understand that the land belongs to everyone. She stated that she would support the proposal as long as the plan provides people with the time they would need in order to make the necessary adjustments and changes.

Council Member Bailey agreed adding that because the City has allowed this to go on for so long they should help to educate the citizens with respect to property lines and also allow residents the time to make the required changes.

Public Works Director Burshten stated that the process of staking public and private land would be implemented with new developments so that there would be no question on what is park land and private property.

### APPROVAL OF MINUTES

A. April 19, 2006 Regular Meeting

Mayor Shiely stated that the minutes stand approved as presented.

### CONSENT CALENDAR

Council Member Bigham asked to pull Items 4E and 4O for discussion. She referenced item 4E stating that she would like to thank everyone who provided donations for the 13<sup>th</sup> Annual Youth Safety Camp. She reviewed the list of donors with Council and thanked each individually for their sponsorship of the event. She asked City Administrator Schroeder to briefly explain Item 4O.

City Administrator Schroeder explained that due to changes within the Police Department the City would have a couple of vacancies at the Captain level. He further explained that Captain Woolery and Acting Public Safety Director Zurbey have asked that Staff review the requirements of the position and provide Council with an update on their findings. He stated that in an effort to determine similarities Staff had surveyed several metro area communities and as a result of the survey there is a recommended change to the minimum requirements for education and work experience, which has been presented for Council review and approval. He explained that rather than requiring a Bachelor Degree and five years of experience Staff is proposing a requirement change that would include a Bachelor Degree and three years at the level of sergeant with the caveat that a Bachelor Degree is achieved within four years of reaching the level of sergeant. He noted that it was also decided that job descriptions would be reviewed for possible amendments whenever a vacancy occurs.

Officer Greg Rinzel asked Council to give Option 3 serious consideration noting that he is the last candidate to be eliminated if they choose Option 2. He provided Council with a brief overview of his background as it compares to the proposed requirements noting that most of the Cities surveyed are larger than the City of Cottage Grove. He urged Council to consider Option 3 versus Option 2 stating that Option 3 would open up to a larger base of candidates.

Council Member Grossklaus asked when the posting for the open positions would take place. Acting Public Safety Director Zurbey stated that the open positions would be posted on Thursday, June 8, 2006 with interviews taking place on June 15, 2006. He indicated that due to his retirement and Captain Woolery's promotion as Chief that it is their hope to have both Captain positions filled by July 2006 when the transition takes place.

Council Member Bailey asked for clarification of the differences between Option 2 and Option 3. Acting Public Safety Director Zurbey reviewed the differences with Council stating that he would recommend Option 3 noting that he would prefer that everyone who is capable have the ability to compete for the job.

Mayor Shiely stated that she has concerns about dropping the standards too much noting that Option 2 seems to be just right.

Council Member Bailey asked Captain Woolery for his recommendations. Captain Woolery stated that if they were to look at the metro average they would not be making any compromises and if they were to look within the organization for individuals with potential they would try to keep a balance between work experience, education and supervisory experience. He stated that what they are looking for is an option that would work and provide flexibility in the decision process.

**MOTION BY RICE, SECOND BY BIGHAM, TO APPROVE OPTION 3 ADJUSTING THE MINIMUM REQUIREMENTS FOR POLICE CAPTAIN. MOTION CARRIED 4-1 (NAY-SHIELY)**

**MOTION BY BIGHAM, SECONDED BY GROSSKLAUS, TO:**

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
  - i. PLANNING COMMISSION MEETING MINUTES FROM APRIL 24, 2006.
- B. AUTHORIZE ISSUANCE OF AN OUTDOOR EVENT PERMIT TO DEMORI'S RESTAURANT TO HOLD A STREET DANCE ON JUNE 10, 2006.
- C. APPROVE CHANGE ORDER #1 FOR THE GATEWAY STORM SEWER IMPROVEMENTS PROJECT.
- D. APPOINT JENNIFER PETERSON TO THE HUMAN RIGHTS/SERVICES COMMISSION.
- E. ACCEPT DONATIONS IN THE AMOUNT OF \$275 ON BEHALF OF THE PUBLIC SAFETY, FIRE AND RECREATION DEPARTMENTS FOR THE 13<sup>TH</sup> ANNUAL YOUTH SAFETY CAMP.
- F. ADOPT **ORDINANCE NO. 792** AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, MINNESOTA, AMENDING TITLE 3-5 RELATING TO PAWNBROKERS AND SECONDHAND GOODS DEALERS.
- G. AUTHORIZE ISSUANCE OF AN OUTDOOR EVENT PERMIT FOR THE OSMAN SHRINE CAR SHOW TO BE HELD AT THE VFW RED BARN ON JULY 23, 2006.
- H. AUTHORIZE ISSUANCE OF OUTDOOR EVENT PERMITS TO THE COTTAGE GROVE STRAWBERRY FEST COMMITTEE AND THE COTTAGE GROVE JAYCEES FOR STRAWBERRY FEST EVENTS AND A CARNIVAL.
- I. ADOPT **RESOLUTION NO. 06-098** A RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS FOR CANADIAN PACIFIC RAILWAY ADDITION.
- J. AUTHORIZE A FEASIBILITY STUDY FOR A TRUNK SANITARY SEWER TO SERVE THE EAST RAVINE NEIGHBORHOOD 1 AREA.
- K. ADOPT **RESOLUTION NO. 06-099** A RESOLUTION APPROVING AN INTERIM CONDITIONAL USE PERMIT TO ALLOW A TEMPORARY OUTDOOR SALES OF FIREWORKS AT MENARDS, 9000 EAST POINT DOUGLAS ROAD SOUTH.
- L. ADOPT **RESOLUTION NO. 06-100** A RESOLUTION APPROVING THE FEASIBILITY REPORT AND ORDERING PREPARATION OF PLANS AND SPECIFICATIONS FOR THE CROSSROADS CHURCH WATER MAIN EXTENSION.
- M. AUTHORIZE ISSUANCE OF A TEMPORARY 3.2-PERCENT BEER LICENSE TO THE ST. PAUL PARK/NEWPORT LIONS CLUB FOR STRAWBERRY FEST, JUNE 17 AND 18, 2006.
- N. AUTHORIZE ISSUANCE OF A SINGLE OCCASION GAMBLING PERMIT AND TEMPORARY LIQUOR LICENSE TO THE CHURCH OF ST. RITA FOR THEIR FALL FESTIVAL, SEPTEMBER 23 AND 24, 2006.
- O. REMOVED FOR SEPARATE VOTE.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

NONE

PUBLIC HEARING

NONE

BID AWARDS

NONE

UNFINISHED AND NEW BUSINESS

- A. Consider Approving a Comprehensive Plan Amendment, Zoning Ordinance Amendment, and a Site Plan Review to Allow a 39,062 Square Foot Medical Office Building in place of the Approved Senior Housing Building at Summerhill Crossing, 70<sup>th</sup> Street and Hinton Avenue.

Community Development Director Blin stated that there are three requests as part of this project, the Comprehensive Plan amendment, the PUD, and the Site Plan. He reviewed the location with Council noting that the site is located on the corner of 70<sup>th</sup> Street and Hinton Avenue. He indicated that the entire area was approved as PUD in 2002 and included a commercial portion on the front side along with a proposed senior housing project. He explained that the PUD was amended in 2004 with a change from the senior housing project and are now proposed to build a medical office building, which changes it to commercial zoning. He stated that the medical building would be a two-story building, primarily consisting of brick and glass for the exterior. He noted that the roof would be designed with a residential look adding that the footprint would be reduced from 39,000 square feet to 19,500 square feet. He indicated that the height of the building is somewhat lower noting that the original proposal for the senior housing was 46-feet to the peak and the proposed medical office building would be at 32-feet. He provided Council with an overview of the proposed parking noting that the field in front of the building would be considerably larger than what was originally proposed for the senior housing unit. He stated that the Planning Commission has approved the proposal noting that the Commission has requested that the developer include more green space, address the size of the pond and provide a more robust landscaping package. He referenced the parking noting that the developers want to be sure the demand for parking is there before paving the area. He stated that the proposed pond size is not necessary and the change was enough to where more green space would be gained. He stated that the landscaping would include a rain garden that would allow the soil to percolate into the ground versus standing like a pond.

Community Development Director Blin stated that a neighborhood meeting was held approximately one month ago noting that all residents surrounding the immediate area were notified of the meeting. He stated that three residents attended the neighborhood meeting and expressed concerns about the possibility of an increase in traffic for the area.

Alex Young, MSP Commercial, stated that this is a joint venture between MSP and Mike Rygg. He provided Council with an overview of the proposed rain garden noting that this is a fairly new concept. He referenced the packet of information provided noting that the packet includes a landscaping plan that shows the location of the rain garden. He explained that the previous pond was designed as a dry pond, which would create dry edges around the pond

and does not look as good. He indicated that additional landscaping has been included, as requested, noting that they would also like to incorporate additional shrubbery along the back portion of the building. He indicated that the additional shrubbery would be included in the proposal.

Mayor Shiely noted that the information provided indicates that Health East would occupy the first level and that tenants have not been identified yet for the second level. She asked if the hours of operation and parking requirements would be dependent upon who rents the second level offices. Mr. Young explained that the hours of operation and access to the building by the general public would be outlined within the lease noting that the hours identified in the packet are the hours the building would be open for general public use. He assured the Council that the building would be geared toward office and professional organizations, not for retail use. He confirmed that the first floor would be leased to Health East noting that they would have specific parking needs for both staff and patients. He indicated that the second floor would be leased to a mix of medical and office users. He stated that tenants would be identified prior to completing the parking area.

Council Member Bigam suggested adding more parking spaces for handicapped use. She asked for clarification on the process used to determine the number of parking spaces needed for handicap designation.

Lynn Sloke, Genesis Architects, explained that they utilize ADA requirements and reviewed the process with Council. Mr. Young assured Council that they would include additional handicap parking if necessary.

Ms. Sloke reviewed the building materials with Council noting that the building is designed to fit into a residential neighborhood setting. She stated that they have gone the extra length to include brick detail in order to accentuate the architecture noting that the brick detail would run along all four sides of the building.

Council Member Rice stated that originally the proposed senior housing would have brought a property value to the City and with the proposed change to a medical office building it would now have a commercial value. He asked how close they are in value and is it comparative. Mr. Young stated that the difference in value is \$9 to \$12 million noting that the taxable value of residential might be a bit lower, it is still very close in tax value to the City.

Mayor Shiely stated that the problem she has with the proposal is the lack of setback between the building and the residential areas. She expressed concerns that there is not enough area to provide an adequate buffer to the residential area. Mr. Young assured Council that they would provide adequate buffers noting that building is a bit thinner and longer.

Mayor Shiely asked for clarification on park land dedication fees and would the fee be shared with the Holiday Station. Community Development Director Blin explained that each site pays a separate park dedication fee at the time of development noting that the Holiday Station has paid their park dedication fee based on their own site, as would this development.

Mayor Shiely asked if there is a plan for special features at the entrance. Mr. Rygg stated that monument signs are planned for the site entrances and reviewed location and materials with Council. He noted that they are also considering public art features in areas close to walking paths or in visible locations that would be easily viewed.

Council Member Grossklaus stated that his only concern is the potential increase in traffic off Hinton and Pine Arbor and asked if a traffic device would be considered at 70<sup>th</sup> and Hinton. Community Development Director Blin stated that currently there is not a need for a signal at 70<sup>th</sup> and Hinton but it could be a possibility in the future.

Council Member Bailey stated that this proposal is not what he had envisioned for this area noting that he has been against the proposed change from the beginning. He stated that he is very concerned about all of the changes and is a bit nervous that the PUD continues to change versus keeping with what had been originally envisioned. He clarified that he has nothing against the architect or the proposed building, his concern is with placing it at this location.

MOTION BY RICE, SECOND BY GROSSKLAUS, TO ADOPT **RESOLUTION NO. 06-101** A RESOLUTION APPROVING A COMPREHENSIVE PLAN AMENDMENT TO CHANGE THE LAND USE FROM HIGH DENSITY RESIDENTIAL TO COMMERCIAL FOR PROPERTY LOCATED IN SUMMERHILL CROSSING; ADOPT **ORDINANCE NO. 793** AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, MINNESOTA, AMENDING CITY ORDINANCE NO. 707 AND NO. 757, WHICH APPROVED A PLANNED UNIT DEVELOPMENT AT 70<sup>TH</sup> STREET SOUTH AND HINTON AVENUE SOUTH; ADOPT **RESOLUTION NO. 06-102** A RESOLUTION APPROVING A SITE PLAN REVIEW OF 39,062 SQUARE FOOT MEDICAL OFFICE BUILDING TO BE LOCATED AT SUMMERHILL CROSSING ON PINE ARBOR DRIVE. MOTION CARRIED 4-1 (NAY-BAILEY).

B. Consider Approving an Ordinance Amendment Relating to Temporary Signs.

Community Development Director Blin stated that Staff's recommendation is to take a more restrictive approach to temporary signs, particularly mobile signs in front of businesses. He stated that the Planning Commission has reviewed the issue and has provided a proposal that would eliminate all temporary signs except banners that could be attached to a building. He clarified that portable signs would not be allowed in front of a building and the time limit for display would change to 15-days per business. He provided Council with an overview of the verbiage changes.

Council Member Grossklaus asked if the City should be allowed to utilize a mobile sign that is moved to various locations within the City to announce events. He expressed concerns stating that this would be hard to justify if the rest of the community is not allowed to use mobile signage. He asked for clarification on how it would be managed and enforced. Community Development Director Blin stated that Staff would manage both the permit and enforcement process and reviewed with Council.

Council Member Bigham asked if the City would make exceptions to the number of days for display or the use of large balloons for new business grand openings.

City Attorney Thomson clarified the legal use and removal process of non-conforming signage stating that she would review the provisions and provide Council with further clarification.

MOTION BY GROSSKLAUS, SECOND BY RICE, TO ADOPT **ORDINANCE NO. 794** AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, MINNESOTA, AMENDING TITLE 9-8-5, PROVISIONS APPLICABLE TO ALL ZONING DISTRICTS, AND TITLE 9-8-7, TEMPORARY SIGNS INCLUDING THE CITY OF COTTAGE GROVE'S MOBILE SIGN, OF THE COTTAGE GROVE CITY CODE. MOTION CARRIED 5-0.

#### RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

NONE

#### COUNCIL COMMENTS AND REQUESTS

Council Member Bailey reminded everyone that the Strawberry Fest is coming up for the weekend of June 16, 2006. He stated that there would be great events and music entertainment for all ages and encouraged everyone to come out, enjoy the fun.

Council Member Bailey referenced a recent article in the St. Paul newspaper regarding billboard signage stating that he wants to be sure that the City of Cottage Grove does not fall into the same situation. He stated that he would like the ordinances reviewed to ensure that they cover all issues including the installation of billboards along the highways.

Council Member Bailey asked for an update on the 80<sup>th</sup> Street lighting replacement project.

Public Works Director Burshten stated that Staff has been working closely with the lighting company on this project adding that he would provide Council with an update at the next Council meeting.

#### PAY BILLS

MOTION BY BIGHAM, SECONDED BY BAILEY, TO APPROVE PAYMENT OF CHECK NUMBERS 145132 THROUGH 145415 TOTALING \$2,101,090.80 (CHECKS 145132 THROUGH 145178 IN THE AMOUNT OF \$192,043.60 ISSUED PRIOR TO COUNCIL APPROVAL.) MOTION CARRIED 5-0.

Mayor Shiely called a five-minute break at 9:25 p.m.

Mayor Shiely called the meeting back to order at 9:39 p.m.

#### WORKSHOP SESSION – OPEN

A. Conduct Workshop to Provide Direction to Staff Regarding 2007 Budget Priorities.

Mayor Shiely stated that after reviewing the packet information she has concerns noting that she is not sure how the City could do everything that has been documented without having problems. She asked when the City would begin to see some of the tax breaks and amenities and whether the tax base for the City has improved significantly in the metro standing. She asked how this could be done without significantly increasing taxes.

City Administrator Schroeder referenced the tax base improvements noting that the City has moved from their 3<sup>rd</sup> position to the bottom of the list up to 7<sup>th</sup> from the bottom of the list. He indicated that the list also included the neighboring Cities of Newport and St. Paul Park.

Council Member Grossklaus referenced past policies noting that the City might have to bond out for several years on some of the larger projects. He expressed concerns stating that he does not believe that the City could continue to pay for projects over short periods of time.

Finance and Administrative Services Director Hedberg reviewed the bonding issue noting that if the City were to bond the bridge for 20-years it would be at a cost of approximately \$84,000 a year, which would be approximately 8/10ths of a percent per year. He assured Council that Staff has tried, based on previous direction over the years, to structure the debt at an acceptable tax rate to the residents.

Mayor Shiely suggested pushing the pavement management project back a year. City Administrator Schroeder stated that he has discussed this with Public Works Director Burshten noting that the City could incur more operating expense but pushing it out would not put the project into a greater level of reconstruction. He stated that Public Works Director Burshten is reviewing all projects to determine the impact and identify the projects that could be adjusted.

Mayor Shiely referenced the 2008 CIP funding commitment for the ice arena and asked how this project would be handled. City Administrator Schroeder stated that Zak Docktor, Parks Supervisor, has confirmed that there would be an increase in revenue for the City and has indicated that the City would be able to approach users for donations and contributions, which would help to reduce the bonding. He stated that Staff would also work with the Athletic Association. Finance and Administrative Services Director Hedberg stated that the next Council meeting in June would include a discussion around phasing and funding, which would include the ice arena.

Finance and Administrative Services Director Hedberg provided Council with a brief overview of the direction for the 2007 budget, which includes: the General Fund portions for property taxes and LGA/HACA; a review of the feedback received regarding the acceptable Tax rate and dollars paid; no Market Value appreciation; tax dollars paid by \$200,000 home with no Market Value appreciation and the levy increase. He stated that he contacted the Assessor and was told that all riverfront/waterfront properties have increased considerably in value noting that it was found, through reassessment that the City is behind in the valuations of the

property. He provided Council with an overview of the estimated market values.

Finance and Administrative Services Director Hedberg provided Council with a comparison of operating expenditures based on 2004 per capita that included Metro Cities with over a 2,500 population. He indicated that the City of Cottage Grove spends more on public works projects, such as seal-coating and storm water activities, than other Cities and provided an overview, by department of the General Fund budget.

Mayor Shiely suggested further discussion on the \$328,000 savings and how/who should benefit. She stated that the citizens should benefit from some of the savings because of the changes it would create for the citizens. Finance and Administrative Services Director Hedberg agreed stating that this is an item Staff is looking to Council for feedback on.

Council Member Bigham stated that she feels the majority of the benefit should go to public safety for improvements in technology and services, which in turn would be a benefit to the citizens. Council Member Rice stated that he could agree to a portion of the savings going to public safety, but not the majority.

Council Member Bailey stated that the City has an opportunity to upgrade the technology and systems adding that he would like to be sure that the City upgrades technology so the police officers could be more effective in their jobs. He stated that it would help to determine how to best utilize the savings if Council could see a list of 'wants' from each of the departments.

Mayor Shiely acknowledged the public safety needs noting that the City also has several other areas to address including the storm water mandates, the open HR position and the East Ravine. She stated that there should also be some form of relief and benefit from the savings for the taxpayers. She stated that she also likes the idea of a savings across all departments noting that the upgrade in technology would take the pressure off the need for additional hires. She stated that there should be a connection with the amount of staff and with the improvements in technology.

Council Member Bigham agreed with both Mayor Shiely's and Council Member Bailey's concerns stating that it is important to identify what the Public Safety Department does need with respect to technology upgrades.

Council Member Grossklaus stated that he would like to see the savings go towards a citywide technology upgrade noting that it would help with efficiency and he does not want to see the City fall behind.

City Administrator Schroeder acknowledged the Council's concerns stating that it is not as simple as it sounds. He stated that as a general philosophy the Council needs to accept that the longer they can delay adding staff the better off the City would be with the budget concerns.

Finance and Administrative Services Director Hedberg reviewed the tax rate comparison; the tax rate direction and the appreciation of existing property with Council. He asked Council to

consider what they would want for an increase in the levy and provide their feedback to Staff.

Mayor Shiely stated that she does not want to see the tax rate change noting that she would prefer it at a level where residents would not see the increase. She stated that she would prefer that it remain the same or decrease.

Finance and Administrative Services Director Hedberg clarified that the plan is to keep the tax rate for homeowners about same. He noted the recent changes with commercial property appreciation stating that the plan is for a 10-percent, across the board, market value increase on commercial properties.

Council Member Grossklaus stated that he would like staff to review what would happen when a greater tax base is generated with an increase in the City growth rate. He stated that he would like to know what could be handled without growing too quickly.

City Administrator Schroeder stated that the impacts on City Staff would depend upon how it is created. Community Development Director Blin stated that an analysis could be done to determine what the impact would be to infrastructure and workload.

Council Member Rice asked if the City has committed to the railroad crossing. City Administrator Schroeder stated that the City has not received the amended agreement noting that the amendment would come before the Council for review and final approval.

City Administrator Schroeder clarified that the Council would be comfortable with the tax rate as long as it is less than 37.81. The Council confirmed. City Administrator Schroeder further clarified that Council also wants to see storm water issues, street lighting, sewer and standard utility fees included. He stated that Staff would review all areas for possible increases and asked if Council had anything else they would like provided or included.

Council Member Grossklaus asked Staff to identify all projects on the horizon and provide a history of what has been done with each account.

#### WORKSHOP SESSION – CLOSED

NONE

#### ADJOURNMENT

MOTION BY BIGHAM, SECONDED BY BAILEY, TO ADJOURN THE MEETING AT 11:14 P.M. MOTION CARRIED 5-0.

Respectfully submitted,

Bonita Sullivan  
*TimeSaver Off Site Secretarial, Inc.*