

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

October 4, 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 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
Howard Blin, Community Development Director
Ron Hedberg, Finance Director
Corrine Thompson, City Attorney
Jennifer Levitt, City Engineer
Craig Woolery, Public Safety Director
Les Burshten, Public Works Director

There being no speakers, the Open Forum was closed at 7:16 p.m.

CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a regular meeting on Wednesday, October 5, 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
Howard Blin, Community Development Director
Ron Hedberg, Finance Director
Corrine Thompson, City Attorney
Jennifer Levitt, City Engineer

Craig Woolery, Public Safety Director
Les Burshten, Public Works Director

Mayor Shiely presided over the meeting.

ADOPTION OF AGENDA

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

PRESENTATIONS

A. Eagle Scout Presentation – Thomas Lichtblau

Mayor Shiely and City Council Members presented Thomas Lichtblau with a City plaque in recognition of his attainment of Eagle Scout, and Mayor Shiely then expressed the congratulations on behalf of the City and the importance of his accomplishments.

Thomas Lichtblau described his two-year project, which was the planning, funding and construction of a church playground totaling \$21,000.

B. Ice Arena Expansion

Zac Dockter described the accomplished thus far and future planning for the expansion of the Cottage Grove Ice Arena. Mr. Dockter highlighted the planning process: (1) researched ice recreational needs of community; (2) construction and cost analysis; (3) meet with user groups to determine needs, cost participation, and land acquisition (such as Cottage Grove Athletic Association and School District); and (4) production of conceptual designs (landscape, site and floor designs). He stated that construction cost estimates have risen from \$4.5 million to \$5.4 million in one year according to three different builders. Mr. Dockter reported the next steps would be review of cost estimates, plan and designs by City staff and Council, meet with CGAA and School District regarding anticipated costs and cost sharing, settle financial plan, market expansion and coordinate fundraising opportunities, engineering designs, and break ground, with a goal of opening the fall of 2008.

Council Member Bigham asked whether there was any discussion with potential area businesses for naming rights. Mr. Dockter responded there was none currently.

Council Member Grossklaus inquired about the timeline to make decisions. Mr. Dockter responded that he was told ice arenas could be built in as little as nine months but costs would not be going down over time.

Council Member Rice inquired about seating and parking capacities. Mr. Dockter noted seating capacity of 250 running the length of the building on one side, with bleachers five rows high and temporary metal bleachers that could be moved. He said, instead of increased parking, discussion had been to schedule the use according to the high school schedule, to minimize crossover of events.

Mayor Shiely thanked Mr. Dockter for the update.

C. Xcel Energy – Gas Main Replacement and Power Outages

Mayor Shiely reported that three Xcel representatives were present: Collette Jurick, community and local government relations manager; Steve Koske, electrical reliability engineer, and Dan Woehrle, gas system engineering department manager. She then extended an invitation to address the Council.

Dan Woehrle, Xcel, 825 Rice Street, said he was present to summarize a gas project that impacts Cottage Grove, the replacement of 407 miles (six miles in Cottage Grove) of Century main piping that was installed between 1971 and 1976 that had proven to be a poor performer. He said Xcel was ordered in December 2005 by the Office of Supply Line Safety to remove and replace all Century pipe due to pipe integrity concerns.

Council Member Grossklaus inquired as to why the replacements were not being double mained. Mr. Woehrle responded that Xcel's preference would be to replace in-kind when doing renewal work, double main for existing double main and single main for existing single main. He said it is less expensive on Xcel's part to single main when possible and addresses the issue they are trying resolved, with all work being done on the boulevard.

Council Member Rice stated that he believed there had been a handshake agreement that whenever there would be upcoming road improvements scheduled for two years out, that double maining would be done. He said he did not understand why Xcel would not want to correct the current problem now by replacing with double maining, instead of replacing with single maining and then having to come back in two years when it would be more expensive. Mr. Woehrle responded that the City Public Works Department expressed the wish to have double maining, Xcel expressed kind-for-kind, and the agreement was reached that double maining for single main lines wasn't necessary at this time.

Council Member Bigham said that she agreed with Council Member Rice and wondered why Xcel did not want to be proactive and lower the cost and inconvenience to residents by doing double maining now.

Mayor Shiely inquired about what type of education Xcel would provide for homeowners who would be affected by the replacement work. Mr. Woehrle responded that letters would be sent to affected homeowners regarding the scope of the project. They attempt to make contact with each homeowner prior to construction to let them know there would be an outage (interrupt gas service to the home, shut the main off, transfer to the new main, and gain access to homes to re-light appliances).

Mayor Shiely said Xcel is a big company but needs work in dealing with individual homeowners who find that their gas will be shut off because a tag was not hung on their door. She expressed deep concern for the City residents who will have to experience the same inconvenience two times in two years.

Council Member Bailey stated that he agreed with the other Council Members and asked how long the gas shut-off would last.

Mr. Woehrle responded that it could be one to four hours depending on the work but always the same day if the customer is at home. He reiterated that home access would be required and noted 24-hour access for residents to reach Xcel by phone.

Council Member Bailey stated he had a hard time understanding, from a cost standpoint, how it would not be cheaper to do the double maining now rather than wait a couple years. He asked staff what options Council had.

The City Administrator responded that, relating to the reclamation of the street two years from now, there is not certainty about the depth of the lines under the roadways. He said part of the concern is that it makes the road improvement more expensive because the contractor has to protect themselves against delays, to make sure a contingency plan is provided. The City Administrator also stated there was an issue of safety for all concerned. In addition, he said that he believed performance standards could be set up when granting a permit.

The City Attorney said she had reviewed this with staff and the City does have authority under its right of way permit to establish standards but there is always a risk of a challenge.

Mayor Shiely added that safety and cost issues do not seem arbitrary reasons.

Council Member Bailey said he believed precedence had been set for double maining in other areas of the City.

The Public Works Director displayed a map showing the Century Pipe areas in question. He said the handshake agreement had been with NSP (not Xcel) that any new reconstruction projects would be double mained but Xcel had agreed to double main some of the more important areas (collector, storm sewer work or experience of water main breaks). The Public Works Director described the difference between double and single maining, the City's wish to maintain road integrity as much as possible, and the timing issue with winter approaching and Xcel's requirement to abide.

Mr. Woehrle stated that all Century pipes would be replaced and all services would be pressure tested and replaced if identified.

Mayor Shiely asked what percentage of the 107 miles left is double mained.

Mr. Woehrle responded that Xcel was generally replacing in-kind and was working out similar agreements with the other communities across the State. He said an arterial road, such as 80th Street in Cottage Grove, would likely be double mained but side streets would be replaced in-kind.

Council Member Grossklaus made a suggestion to direct staff to bring utility projects to the City Council before authorizing approval.

Council Member Rice said it felt like the City had its hands tied and wanted to stop the permits unless replacements would be adhered to the City's specifications. He said three meetings and numerous discussions with Public Works did not get the desired outcome. Council Member Bailey said he agreed with Council Member Rice.

The City Administrator responded that if the permit had not been issued, the Council could direct that specifications be attached.

The Public Works Director responded that about half of the requested permits had been issued. He said his concern would be failures in the pipes and did not know if Council would want to prolong the correction process.

Mr. Woehrle explained that replacements were planned for completion over three years.

The City Administrator asked Mr. Woehrle whether the dilemma was a budget or preference issue for Xcel.

Mr. Woehrle responded that double maining costs more and is not in the budget.

Mayor Shiely asked Mr. Woehrle to continue conversations with staff and, if the issue does not appear to be able to be resolved in a reasonable time, that Council has the option of holding an emergency meeting.

The City Attorney stated that it would not qualify for an emergency meeting but a special meeting could be called with three days' notice.

Council Member Bigham reinforced the City's wish that Xcel work with staff, be proactive, and strive to reduce disruption as much as possible to City residents.

Council Member Rice said the bottom line is that he preferred getting the issue of double maining worked out with the Public Works Department or the additional permits may not be approved.

Steve Koske, Xcel Area Engineer, 3000 Maxwell Avenue, Newport, explained the electrical distribution system and the three levels of outages, being feeder (lasts for about an hour and affecting 2,000-3,000 Cottage Grove customers), tap (affecting hundreds of customers) and transformer (affecting 1-25 customers). He displayed and offered detail for each of the 2006 feeder outages through October 3 in Cottage Grove, which occurred on March 13, May 29, June 22, July 19, and September 16.

Council Member Rice asked that the areas of disruption be identified on the map and expressed deep concern that Xcel customers and Cottage Grove residents not be inconvenienced and receive reliable gas and electrical service.

Mayor Shiely said she has heard that there is a lot of outdated equipment in Cottage Grove and Xcel appears unwilling to put money into its equipment, whether gas lines, splicing, transformers, and/or excessive tree removal. She then opened the floor to any audience members who wished to address the Council.

Mr. Koske said Xcel strives to be proactive with regard to splicing and underground cabling.

Jim Wolcott, 8063 Hatley Avenue South, described the difficulty businesses experience with power outages, including disruptions with streetlights, computers, banking, phone systems, electricity, gas stations, and restaurants during prime time, etc. He said he understood how high winds or storms could affect power, but not a bird or squirrel.

Council Member Grossklaus inquired about the September 8 outage prior to the high school football game.

Mr. Koske responded that the high school transformer was replaced because of leaking oil and, when the high school energized the lights, the transformer failed. He said there was good voltage at the terminals after Xcel made the replacement but that they had not asked the high school to check the lights and verify all was working well.

Mayor Shiely thanked the Xcel representatives for their presentations.

APPROVAL OF MINUTES

A. None.

CONSENT CALENDAR

Mayor Shiely pulled item F and stated that the date for public comment on the franchise fee should be October 18, 2006, not October 20.

MOTION BY BIGHAM, SECONDED BY RICE, TO:

A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:

- I. PLANNING COMMISSION MEETING MINUTES FROM JULY 24, 2006, AND AUGUST 28, 2006.
- B. AUTHORIZE THE CITY OF COTTAGE GROVE TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE LEAGUE OF MINNESOTA CITIES FOR MEMBERSHIP IN THE MINNESOTA CITIES STORMWATER COALITION.
- C. AUTHORIZE THE LEASE AGREEMENT FOR A SHARP MX-2300 COPIER FOR THE ICE ARENA AND RECREATION DEPARTMENT.
- D. ADOPT RESOLUTION NO. 06-199, A RESOLUTION AUTHORIZING THE PREPARATION OF FEASIBILITY REPORT FOR THE EVERWOOD ADDITION PROJECT.
- E. ADOPT RESOLUTION NO. 06-200, A RESOLUTION AUTHORIZING THE PREPARATION OF FEASIBILITY REPORT FOR THE OAK COVE ADDITION PROJECT.
- F. SET OCTOBER 18, 2006, AS THE DATE TO RECEIVE PUBLIC COMMENT ON THE FRANCHISE FEE INCREASE PROPOSAL AND DIRECT STAFF TO PROVIDE WRITTEN NOTICE TO UTILITY COMPANIES.
- G. ADOPT RESOLUTION NO. 06-201, A RESOLUTION AUTHORIZING STAFF TO REQUEST FUNDING FROM MNDOT THROUGH THE FISCAL YEAR 2008 MUNICIPAL AGREEMENT PROGRAM FOR IMPROVEMENTS TO THE INTERSECTION OF TH95 (MANNING ROAD) AND LEHIGH ROAD SOUTH.

- H. RECEIVE REPORT ON EAST RAVINE NEIGHBORHOOD ONE MAJOR ROAD CHARGE.
- I. PASS ORDINANCE NO. 801, AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, AMENDING TITLE 5, CHAPTER 4 OF THE COTTAGE GROVE CITY CODE RELATING TO ANIMAL CONTROL; PASS ORDINANCE NO. 802, AND RESOLUTION NO. 06-202, A RESOLUTION AUTHORIZING PUBLICATION OF ORDINANCE NO. 801 BY TITLE AND SUMMARY.
- J. AUTHORIZE STAFF TO ENTER INTO A PURCHASE AGREEMENT FOR PUBLIC ACQUISITION OF PROPERTY NORTH OF THE IRON BRIDGE ON GREY CLOUD TRAIL FOR \$5,000.00 AND ANY ASSOCIATED LEGAL EXPENSES.
- K. APPROVE THE APPOINTMENT OF KATHLEEN KLEIN TO THE PUBLIC SAFETY, HEALTH AND WELFARE COMMISSION FOR A TERM THAT EXPIRES ON 2/28/08.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

- A. Receive response to Open Forum regarding Woodmount Townhomes.

Mayor Shiely reported that she had met the HRA and the County Commissioner and the written report updated Council where the situation stood.

PUBLIC HEARINGS

Mayor Shiely inquired if any Council Members or staff had any questions.

The City Administrator responded

- A. Assessment Hearing:

- 1. Silverwood 1st and 2nd Additon

Mayor Shiely opened the public hearing at 9:03 p.m. regarding assessment of public improvements for Silverwood 1st and 2nd (\$1,719,898.38). There being no public input, Mayor Shiely closed the public hearing at 9:03 p.m.

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO ADOPT RESOLUTION 06-203, A RESOLUTION ADOPTING ASSESSMENTS FOR THE SILVERWOOD 1ST AND 2ND ADDITION UTILITY AND STREET IMPROVEMENTS TOTALING \$1,719,898.38.
MOTION CARRIED 5-0.

- 2. Pine Summit 6th Addition

Mayor Shiely opened the public hearing at 9:04 p.m. regarding assessment of public improvements for Pine Summit 6th (\$250,666.32). There being no public input, Mayor Shiely closed the public hearing at 9:04 p.m.

MOTION BY RICE, SECONDED BY BIGHAM, TO ADOPT RESOLUTION 06-204, A RESOLUTION ADOPTING ASSESSMENTS FOR PINE SUMMIT 6TH ADDITION UTILITY AND STREET IMPROVEMENTS TOTALING \$250,666.32. MOTION CARRIED 5-0.

3. Summerhill Crossing:

Mayor Shiely opened the public hearing at 9:05 p.m. regarding assessment of public improvements for Summerhill Crossing (\$61,014.68). There being no public input, Mayor Shiely closed the public hearing at 9:05 p.m.

MOTION BY BIGHAM, SECONDED BY GROSSKLAUS, TO ADOPT RESOLUTION 06-205, A RESOLUTION ADOPTING ASSESSMENTS FOR THE SUMMERHILL CROSSING UTILITY AND STREET IMPROVEMENTS TOTALING \$61,014.68. MOTION CARRIED 5-0.

4. Timber Ridge 4th Addition

Mayor Shiely opened the public hearing at 9:06 p.m. regarding assessment of public improvements for Timber Ridge 4th (\$539,538.90). There being no public input, Mayor Shiely closed the public hearing at 9:06 p.m.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT RESOLUTION 06-206, A RESOLUTION ADOPTING ASSESSMENTS FOR THE TIMBER RIDGE 4TH ADDITION UTILITY AND STREET IMPROVEMENTS TOTALING \$539,538.90. MOTION CARRIED 5-0.

5. Pine Arbor 2nd Addition

Mayor Shiely opened the public hearing at 9:07 p.m. regarding assessment of public improvements for Pine Arbor 2nd (\$98,029.40). There being no public input, Mayor Shiely closed the public hearing at 9:07 p.m.

MOTION BY BAILEY, SECONDED BY BIGHAM, TO ADOPT RESOLUTION 06-207, A RESOLUTION ADOPTING ASSESSMENTS FOR THE PINE ARBOR 2ND ADDITION UTILITY AND STREET IMPROVEMENTS TOTALING \$98,029.40. MOTION CARRIED 5-0.

6. Pine Arbor 1st Addition

Mayor Shiely opened the public hearing at 9:08 p.m. regarding assessment of public improvements for Pine Arbor 1st (\$515,304.10). There being no public input, Mayor Shiely closed the public hearing at 9:08 p.m.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT RESOLUTION 06-208, A RESOLUTION APPROVING ASSESSMENT OF PINE ARBOR 1ST ADDITION UTILITY AND STREET IMPROVEMENTS FOR PINE ARBOR 1ST ADDITION TOTALING \$515,304.10. MOTION CARRIED 5-0.

B. Conduct Public Hearings to Consider the Assessments for Removal of Public Safety

Mayor Shiely opened the public hearing at 9:09 p.m. regarding assessment at 6862 98TH Street for the removal of public safety hazards.

Dave DeBace, 7305 Iverson Avenue South, asked what the safety hazards were.

The Community Development Director responded that it was removal of wall mold from a

water leak.

There being no additional public input, Mayor Shiely closed the public hearing at 9:10 p.m.

MOTION BY BIGHAM, SECONDED BY BAILEY, TO ADOPT RESOLUTION 06-209, A RESOLUTION ADOPTING SERVICE CHARGES FOR THE REMOVAL OR ELIMINATION OF PUBLIC SAFETY HAZARDS FROM PRIVATE PROPERTY LOCATED AT 6826 98TH STREET SOUTH (PID # 19-027-21-44-0066). MOTION CARRIED 5-0.

C. Conduct Public Hearings to Consider the Assessment for the Removal of Weeds on Private Property

Mayor Shiely opened the public hearing at 9:10 p.m. regarding assessment for removal of weeds on private property (\$667.43).

The City Administrator referenced the letter of objection received from a Richard T. Maus of 9569 78th Street South.

There being no public input, Mayor Shiely closed the public hearing at 9:10 p.m.

MOTION BY BAILEY, SECONDED BY BIGHAM, TO ADOPT RESOLUTION 06-210, A RESOLUTION ADOPTING SERVICE CHARGES FOR THE REMOVAL OF NOXIOUS WEEDS AND PLANTS FROM PRIVATE PROPERTY. MOTION CARRIED 5-0.

D. Conduct Public Hearing on the Proposed Modification to TIF 1-12.

Mayor Shiely asked for an explanation from staff.

The Finance Director said the action that caused the public hearing would be to add two parcels to the TIF 1-12, the BP Amoco station and Goodyear store, both acquired by Presbyterian Homes over the last year. He said their development plans would include developing commercial buildings on both sites and, to make it easier because of the restrictions on TIF outside the district, the action requested would be to expand the district to include just those two parcels. The Finance Director said the amendment adopting a new program budget for the TIF based on updated property values and wouldn't change any of the original amounts going to the school or other tax jurisdictions, just adding the two parcels. He said Shelly Aldridge from Ellers Inc. was present to address any questions Council might have.

Mayor Shiely opened the public hearing at 9:13 p.m. regarding the proposed modification to TIF 1-12.

Joseph Ambalathunkal, 10221 167th Street, Lakeville, stated he was one of the parties who leased the gas station from British Petroleum (BP) in April 2004 and then read aloud a lengthy background description of his dealings with BP and Presbyterian Homes, who stated they will honor the lease until May 2007 but may not renew the property after that date. He then asked that Council not give approval for the request.

Mayor Shiely said there has not been any private City meetings with Presbyterian Homes on this issue and gave reassurance that the City does have a heart and does not want to see any business owner run into this kind of problem but sometimes it happens, which is really unfortunate. She said she wanted people to understand that the City is not condemning the gas station business but the issue is between Presbyterian Homes and BP. Mayor Shiely added that she failed to see how Mr. Ambalathunkal would invest \$500,000 in April 2004 and not know that the shopping center was almost empty and that redevelopment had been planned there for sometime.

Council Member Rice stated that the issue is with BP and not the City.

Mayor Shiely thanked Mr. Ambalathunkal for attending.

There being no additional public input, Mayor Shiely closed the public hearing at 9:33 p.m.

Council Member Bigham said she had no problem with TIF for senior housing but did have a problem expanding to commercial.

Council Member Grossklaus said his issue was with Presbyterian Homes being nonprofit and now adding more to it.

The City Administrator stated that the original district was 60 acres and the portion would change from 13.1, over half senior housing and the balance commercial, to 14.5 acres. He said the TIF revenues would be going to the senior housing developer, noting that the action tonight would be an expansion to clean the lines and adjust the budget to recognize better numbers than when created.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT RESOLUTION 06-211, A RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1 AND A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 1-12. MOTION CARRIED 3-2 (BIGHAM, GROSSKLAUS VOTING NAY)

BID AWARDS

None.

UNFINISHED AND NEW BUSINESS

- A. Consider Approving the Feasibility Report for TH 61/Jamaica Avenue Roundabout Project and Authorization of Plans and Specifications.

Mayor Shiely requested the City Engineer's report.

The City Engineer reported on the MNDOT \$400,000 roundabout project grant, a solution to

address the intersection problem on the ramp from 61. She stated that a feasibility report was authorized to look at the justification for a roundabout and then cited the benefits and layout design. The City Engineer noted that the largest issue is navigational fears (yield to the traffic in the circle, deflection at entry, low design speed of 20 miles per hour, less conflict points than a signalized intersection). She stated the differences between a roundabout and traffic circle and said a public education plan would be a key part of the project's success and public improvement and noted the project schedule: September 2006 – submittal of EAS report, October 2006 through February 2007 – MNDOT review, April 2007 – bid opening, May 2007 – begin construction, and October 2007 – construction completion.

Mayor Shiely complimented the City Engineer on her plans, very comprehensive and creative.

Council Member Grossklaus asked whether the area would be shut down during construction.

The City Engineer responded that that only very minor detours (hours or a day) might potentially be associated with construction.

Council Member Bigham suggested informing Metro Transit of the project and asked whether information would be coming back to Council after the feasibility report and review the specifications of road size, etc.

The City Engineer responded that she would be spending substantial time at Public Works and Public Safety regarding discussion of those concerns.

MOTION BY BIGHAM, SECONDED BY GROSSKLAUS TO ADOPT RESOLUTION NO. 06-212, A RESOLUTION APPROVING THE FEASIBILITY REPORT FOR TH 61/JAMAICA AVENUE ROUNDABOUT PROJECT AND AUTHORIZE PREPARATION OF PLANS AND SPECIFICATIONS. MOTION CARRIED 5-0.

B. Consider a Simple Lot Division to Subdivide a 1.21-acre Parcel of Land at 7173 Lamar Avenue South and Variances to Lot Size Requirements for Septic Systems and Accessory Structure Setback to Allow a Garage to be Located in Front of the Principal Structure

The Community Planning Director reported that the request was for a lot division, now a 1.2-acre lot that includes right of way and a net acreage of one acre, and he said the variance is requested because the one-acre lot is less than the 1.5 acres required. He reported that both the Planning Commission and staff recommended denial of the request.

Council Member Bailey inquired as to whether the church had decided to demolish the home.

Mike Anderson, 8809 Jewel Avenue, Cottage Grove, said his business was down the street from 7173 Lamar Avenue South. He said rather than spending \$8,000 to demolish the home, it would be better to subdivide the lot and do a variance and stated that soil testing had been done and the septic system approved.

Council Member Rice said he wouldn't be ready to divide the lot with no plans in place and felt that the project shouldn't have gone as far as it did initially.

Mayor Shiely added that the City can't perpetrate mistakes.

The City Attorney recommended the addition of two findings inserted to a motion: A) there are no unique conditions of the land that would justify the substantial lost size variance requested, and B) the property can be put to reasonable use without subdivision.

MOTION BY RICE, SECONDED BY BIGHAM, TO DENY RESOLUTION NO. 06-213, A RESOLUTION DENYING THE SIMPLE LOT DIVISION AND VARIANCES FOR PROPERTY AT 7173 LAMAR AVENUE SOUTH DUE TO A) THERE ARE NO UNIQUE CONDITIONS OF THE LAND THAT WOULD JUSTIFY THE SUBSTANTIAL LOT SIZE VARIANCE REQUESTED AND 2) THE PROPERTY CAN BE PUT TO REASONABLE USE WITHOUT SUBDIVISION. MOTION CARRIED 5-0.

Mayor Shiely thanked the City Engineer for her report.

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

None.

COUNCIL COMMENTS AND REQUESTS

Council Member Bigham announced an open house on October 14 at all fire stations with demonstrations with trucks, fire fighters and paramedics. The Public Safety Director added that it would be 6-8 p.m. and expected it to be a well attended event.

Mayor Shiely reminded people about the Holiday Train on December 12. She then thanked all of the people involved with the Heart of the County fundraiser, which resulted in rising over \$5,000 for local nonprofits, and complimented the staff at River Oaks.

PAY BILLS

MOTION BY BIGHAM SECONDED BY RICE, TO APPROVE PAYMENT OF CHECK NUMBERS 147029 TO 147219 FOR \$970,777.25. MOTION CARRIED 5-0.

WORKSHOP SESSION – OPEN

A. 2007 Budget.

The Finance Director reported that the Council asked that the preliminary budget be revisited to come up with suggestions on how the budget would be adjusted down. He referenced the updated list after meeting with department heads.

Discussion Item	Levy impact (reduction) addition
Motion sensor security lights at Kingston Park	(\$25,000)
Additional Code Enforcement Efforts	(\$9,000)

Additional Community Watch Coordinator hours	(\$6,500)
Transfer Public Service Worker to Storm Water Utility	(\$45,200)
Additional funding required for the Infraseek Information Software	(\$20,000)
Reduction for training in the police department	(\$1,500)
Reduce undesignated amount in Council contingency	(\$20,000)
Reduction for training in the fire department	(\$1,500)
Postpone 80 th Street Pathway repaving	(\$48,000)
Fiscal Disparity 2006 Aid reduction	(\$20,000)
Requirement to submit an updated 2008 Comprehensive Plan	\$40,000
Total net reduction to 2007 operating budget and 2007 levy	(\$156,700)

Council Member Rice commended staff in looking at ways of reduction. He then asked the Public Safety Director if the additional police and fire department reductions would be something that would be needed in the future. The Public Safety Director responded that mandates can be met within budget.

Council Member Rice noted that the 80th Street pathway would need to be done. He said he would go along with the changes except for the 80th Street pathway.

Mayor Shiely said that she agreed with Council Member Rice, as did the other Council Members.

Council Member Grossklaus asked for clarification regarding the transfer of the storm water utility person.

The City Administrator responded that Public Works made a compelling argument that some projects are more efficient in-house than in contracting outside. He noted that the \$45,000 storm water utility funding would be determined on how the person would be assigned.

Council Member Bigham said she agreed with the 80th Street pathway and that the \$40,000 Comprehensive Plan was an eye opener. She stated concern and recommended the re-addition of the Community Watch Coordinator hours and the \$3,000 designated for Public Safety. She said overall she liked keeping costs down by preventive maintenance with regard to the storm water.

Council Member Bailey said he was fine with the budget as is but agreed with putting the pavement issue up front and believed that the City was long overdue for a community survey.

Mayor Shiely stated that she was pleased with the budget and wanted to thank staff, deferring to staff their choices, stating her agreement with regard to the 80th Street pavement.

The City Finance Director summarized Council consensus, which approved the proposed budget except for pavement of the trail, and he stated that Council could make changes following Truth in Taxation.

Mayor Shiely thanked the Finance Director for his report.

B. 2007-2011 Capital Improvements Plan.

The Finance Director stated that he would be looking to Council for direction regarding the Capital Improvements Plan, which is a planning document identifying projects out five years and beyond and includes capital expenses over \$15,000. He noted that funding would total \$113,095,700 through 2011 and an additional \$86,283,200 after 2011, with 2007 projects totaling \$26 million. The Finance Director noted the 2007 street and utility improvements of \$13,487,000, 2007 street projects of \$7,414,600, 2007 new projects for 2007, 2007 projects accelerated into 2007, 2008 projects, 2007 CIP funding summary, and annual debt service levy. He stated that action requested was to provide direction on the included projects, that the Planning Commission hold a public hearing consistent with the Comprehensive Plan, and the City Council hold a public hearing on those projects potentially to be financed with Capital Improvement Bonds issued under MN Statute 475.521.

The City Administrator added that \$5.4 million was a surprise for the arena and setting the \$165,000 levy was intended to ratchet up to the point so the general taxpayer could afford to pay for a substantial portion, \$3 million, with remainder perhaps coming from selling the naming rights. He noted that \$26 million in 2007 is a big number but a large portion of what the City does is developer initiated and that of \$26 million, \$600,000 is funded by the general fund, of which \$400,000 is the seal coating.

Council Member Bailey commented he was shocked to see the extra \$1.4 million for the arena but that the number only gets worse by pushing off and timing will be crucial.

Mayor Shiely added that the high school highlights the need for more cooperation between the School District and City.

WORKSHOP SESSION – CLOSED

None.

ADJOURNMENT

MOTION BY RICE, SECONDED BY BIGHAM, TO ADJOURN THE MEETING AT 10:55 P.M.

MOTION CARRIED 5-0.

Respectfully submitted,

Mary Heintz
TimeSaver Off Site Secretarial, Inc.