

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

December 20, 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 Thomson, City Attorney
Craig Woolery, Public Safety Director
Les Burshten, Public Works Director

There being no speakers, Mayor Shiely closed the Open Forum at 7:15 p.m.

CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a regular meeting on Wednesday, December 20, 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 Thomson, City Attorney
Craig Woolery, Public Safety Director
Les Burshten, Public Works Director

Mayor Shiely presided over the meeting.

ADOPTION OF AGENDA

Mayor Shiely said there would be an addition of 8.C, to consider the liquor license renewal for the Rush Nightclub.

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

PRESENTATIONS

None.

APPROVAL OF MINUTES

A. October 18, 2006, Regular Meeting

Mayor Shiely stated that the minutes stood approved as submitted.

B. November 1, 2006, Regular Meeting

Mayor Shiely stated that the minutes stood approved as submitted.

C. November 8, 2006, Special Meeting

Mayor Shiely stated that the minutes stood approved as submitted.

CONSENT CALENDAR

Mayor Shiely noted that additional handouts were distributed to Council Members for Item K, regarding Economic Development, and Item T, regarding a \$1,000 donation from 3M. She then pulled Item J, the application for OPERA funding, and requested comment from the Public Works Director.

Les Burshten, the Public Works Director, said OPERA (Local Operational Research Assistance Program) is a program implemented to help develop innovations in construction and maintenance operations of local government transportation organizations. He explained that Senior Public Service Worker Jay Johnson's innovation, a mini-paver which was designed and built on his own time in his home garage. The Public Works Director reported

the machine had all the characteristics of a larger paver but paved a two-foot width, could hold 1,100 pounds, and pave 105 feet before requiring a refill. He said he was very proud of Mr. Johnson and commented that the mini-paver was a very unique concept.

Mayor Shiely asked the Public Works Director to extend congratulations to Mr. Johnson and expressed that she was glad the Public Works Director had pursued the OPERA grant for the mini-paver innovation.

MOTION BY RICE, SECONDED BY BIGHAM, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES: OCTOBER 9, 2006, AND NOVEMBER 13, 2006, PUBLIC WORKS COMMISSION MEETING.
- B. ADOPT RESOLUTION NO. 06-252, A RESOLUTION ADOPTING 2007 PAY PLAN AND BENEFITS FOR EMPLOYEES NOT COVERED BY A LABOR CONTRACT FOR THE CITY OF COTTAGE GROVE; REPEALING RESOLUTION NO. 06-096).
- C. ADOPT RESOLUTION NO. 06-253, A RESOLUTION CERTIFYING DELINQUENT UTILITY BILLS.
- D. ADOPT RESOLUTION NO. 06-254, A RESOLUTION AUTHORIZING WRITE-OFFS OF THE COTTAGE GROVE BANKRUPT UTILITY ACCOUNTS RECEIVABLE FOR \$16,515.47.
- E. ADOPT RESOLUTION NO. 06-255, A RESOLUTION ESTABLISHING WAGES FOR PART-TIME AND TEMPORARY EMPLOYEES; REPEALING RESOLUTION 06-129.
- F. ADOPT RESOLUTION NO. 06-256, A RESOLUTION AUTHORIZING THE ACCEPTANCE OF GRANT FUNDING TOTALING \$114,012.72 FROM THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY OFFICE OF GRANTS AND TRAINING FOR THE UPGRADE AND PURCHASE OF 800 MHZ RADIOS TO MEET FEDERAL, STATE, AND COUNTY GUIDELINES FOR RADIO OPERABILITY AND APPROVE THE CITY'S PORTION OF THE 80/20 GRANT EXPENDITURE OF \$28,743.73.
- G. AUTHORIZE THE CITY TO COVER 50% OF THE DEDUCTIBLE INCREASE FOR THE HSA WITH THE PATROL, AFSCME, 49ERS AND SEGEANTS UNIONS FOR 2007 AND 50% OF THE DEDUCTIBLE INCREASE FOR THE HAS WITH THE PATROL, AFSCME, AND 49'ERS FOR 2008.
- H. ADOPT RESOLUTION NO. 06-257, A RESOLUTION APPROVING FINAL PAYMENT OF \$1,500.00 TO O'MALLEY CONSTRUCTION FOR THE EAST POINT DOUGAS ROAD SIDEWALK PROJECT.
- I. ADOPT RESOLUTION NO. 06-258, AND RESOLUTION NO. 06-259 RESOLUTION AUTHORIZING THE REAPPORTIONMENT OF SPECIAL ASSESSMENTS FOR THE PHS/COTTAGE GROVE ADDITION.
- J. AUTHORIZE SUBMITTAL OF THE PROJECT PROPOSAL FOR OPERA (LOCAL OPERATIONAL RESEARCH ASSISTANCE) FUNDING OF A PROTOTYPE MINI-PAVER.
- K. APPOINT THE CITY ADMINISTRATOR AS THE CITY'S REPRESENTATIVE, WITH THE MAYOR SERVING AS THE ALTERNATE REPRESENTATIVE, TO THE

WASHINGTON COUNTY ECONOMIC DEVELOPMENT STRATEGIES WORK GROUP.

- L. APPROVE CHANGE ORDER #1 FOR THE 2006A STREET IMPROVEMENT PROJECT.
- M. AUTHORIZE ISSUANCE OF 2007 LIQUOR LICENSE RENEWALS TO THE FOLLOWING BUSINESSES: AMERICAN MOTORSPORTS BAR & GRILL, APPLEBEE'S NEIGHBORHOOD BAR & GRILL, BOONDOCKS BAR & GRILL, CARBONE'S PIZZERIA, CEDARHURST, COTTAGE GROVE VFW POST 8752, CUB FOODS, DENNIS BROTHERS LIQUOR, G-WILL LIQUORS, HO KING, LAS MARGARITAS, MGM LIQUOR WAREHOUSE, MISSISSIPPI DUNES GOLF LINKS, RAINBOW FOODS, RIVER OAKS GOLF COURSE, RUBY TUESDAY, SHAMROCK LIQUORS, SUPERAMERICA 4183, AND HOLIDAY (JAMAICA AVENUE LOCATION), ALL SUBJECT TO COMPLIANCE WITH STATE AND LOCAL LIQUOR LAWS AND RECEIPT OF A CERTIFICATE OF LIQUOR LIABILITY INSURANCE.
- N. AUTHORIZE ISSUANCE OF A TOBACCO LICENSE TO KATH FUEL OIL SERVICE CO./DBA GAS PLUS #7, LOCATED AT 7033 JORGENSEN LANE SOUTH.
- O. AUTHORIZE RENEWAL OF THE MASSAGE BUSINESS AND MASSAGE THERAPIST LICENSES TO CONNIE PHELPS/DBA GYMTONES MASSAGE, 7750 HARKNESS AVENUE.
- P. ADOPT RESOLUTION NO. 06-260, A RESOLUTION APPROVING THE SUPPLEMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE CITY OF COTTAGE GROVE AND RYAN SCHROEDER, CITY ADMINISTRATOR, SETTING A MONTHLY SALARY OF \$9,262, EFFECTIVE JANUARY 1, 2007.
- Q. AUTHORIZE THE MAYOR TO SIGN THE COTTAGE GROVE PLAZA DEVELOPMENT AGREEMENT WITH RYAN CONSTRUCTION COMPANY OF MINNESOTA, INC., DATED APRIL 25, 1990.
- R. AUTHORIZE THE COMPLETION OF PHASE 1A OF THE COTTAGE GROVE HISTORIC PLAQUE PROGRAM.
- S. AUTHORIZE COMPLETION OF PHASE 1 OF THE COTTAGE GROVE HISTORIC PLAYING CARD PROGRAM.
- T. AUTHORIZE RESOLUTION NO. 06-261, A RESOLUTION ACCEPTING DONATION OF \$1,000.00 FROM 3M CORPORATION TO THE S.T.O.C.K. PROGRAM FOR THE PURCHASE OF SUPPLIES AND EQUIPMENT FOR THE PUBLIC SAFETY DEPARTMENT.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

None.

PUBLIC HEARING

- A. Hold Public Hearing and Consider Authorizing Issuance of an "Off Sale" Intoxicating

Liquor License to Liquors Plus Inc., doing business as Top 10 Wine & Spirits, to Operate at 8617 East Point Douglas Road, Cottage Grove.

Mayor Shiely opened the public hearing at 7:36 p.m.

Bruce Knowland, President of Liquors Plus, stated that he, Mike Hanson, and Brian Blohm were present to answer any questions the Council had.

There being no questions or an additional speaker, the public hearing was closed at 7:38 p.m.

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO AUTHORIZING ISSUANCE OF AN "OFF SALE" INTOXICATING LIQUOR LICENSE TO LIQUORS PLUS INC., DOING BUSINESS AS TOP 10 WINE & SPIRITS, TO OPERATE AT 8617 EAST POINT DOUGLAS ROAD, COTTAGE GROVE, CONTINGENT ON COMPLIANCE WITH THE CONDITIONS OUTLINED IN THE CITY CLERK'S MEMORANDUM INCLUDED IN THE AGENDA PACKET. MOTION CARRIED 5-0.

B. Hold Public Hearing and Consider Adopting the 2007-2011 Capital Improvements Plan.

Ron Hedberg, the Finance Director, reported that a public hearing was required if the City wished to consider financing public projects using Capital Improvement Bonds without holding a referendum. He said the only project in the CIP that would be available for that type of financing would be the Public Safety and City Hall facility included in 2009. The Finance Director explained that a CIP was a five-year planning device for capital expenditures over \$15,000 such as public facilities, public buildings, infrastructure, utilities, and parks and playgrounds. He reported that the 2007-2011 funding summary total was \$114,995,700, with 2007 projects totaling over \$13 million and in year 2010 the Public Safety and City Hall at an estimated cost of \$12.6 million.

Hedberg then cited criteria for a CIP: a condition of the City's infrastructure and need for the project, demand for the improvement, cost of the improvement, availability of public resources, level of overlapping debt, cost benefits of alternative uses of funds, operating costs of the proposed improvements, and options for shared facilities with other cities or local governments. The Finance Director summarized the 2007-2011 plan noting that the CIP would serve as a work plan for 2007 and 2008, would include upcoming projects and funding sources, and attempt to manage debt levels. He said the action requested by Council would be to: (1) hold a public hearing on those projects potentially to be financed with cap bonds issued under Minnesota Statute 475.521, and (2) adopt 2007 to 2011 CIP.

Mayor Shiely opened the public hearing at 7:43 p.m.

There being no speakers, the public hearing was closed at 7:44 p.m.

MOTION BY BIGHAM, SECONDED BY BAILEY, TO ADOPT RESOLUTION NO. 06-262, A RESOLUTION ADOPTING THE 2007-2011 CAPITAL IMPROVEMENTS PLAN.

MOTION CARRIED 5-0.

BID AWARDS

None.

UNFINISHED AND NEW BUSINESS

- A. 1) Accept the Resignation of Karla Bigham from the City Council and Declare a vacancy effective December 31, 2006. 2) Appoint Fred Luden as Council Member to fill the vacancy for a two-year term of January 1, 2007, through December 31, 2008.

MOTION BY GROSSKLAUS, SECONDED BY RICE, TO ACCEPT THE RESIGNATION OF KARLA BIGHAM FROM THE CITY COUNCIL AND DECLARE A VACANCY EFFECTIVE DECEMBER 31, 2006.

Council Member Bigham thanked City residents, staff, and Council Members for their support during her service.

Mayor Shiely expressed appreciation to Council Member Bigham and said she would be missed.

UPON VOTE BEING TAKEN, MOTION CARRIED 5-0.

MOTION BY RICE, SECONDED BY BIGHAM, TO RATIFY THE APPOINTMENT OF FRED LUDEN TO THE CITY COUNCIL, EFFECTIVE JANUARY 1, 2007. MOTION CARRIED 5-0.

- B. Consider Adopting Resolution Adopting the 2007 Operating Budget and the 2006 Tax Levy, Collectible in 2007

The Finance Director reported that the City was required to adopt a property tax levy by the end of December each year. He then reported the total operating budget for 2007 included \$27 million of expenditures, the general fund for \$12.5 million made up 73% of property taxes, and the total property tax levy of \$11,823,000 reflected a 6% increase. The Finance Director stated that the average Cottage Grove home valued at \$230,000 would receive a tax bill for City services in the amount of \$65 per month, funding City operations and debt service. He then asked for Council consideration to adopt the 2007 operating budget and 2006 tax levy, collectible in 2007, for the City.

Council Member Bigham inquired about the status of the Kingston Park lighting. The City

Administrator responded that the lights would be funded during 2007. The Public Works Director added that they were expected to be installed within the two weeks. Mayor Shiely confirmed with the Public Safety Director that monitoring would use to determine whether lighting made a difference in the area.

MOTION BY BAILEY, SECONDED BY RICE, TO ADOPT RESOLUTION NO. 06-263, A RESOLUTION ADOPTING THE 2007 BUDGET FOR THE CITY OF COTTAGE GROVE. MOTION CARRIED 5-0.

MOTION BY GROSSKLAUS, SECONDED BY RICE, TO ADOPT RESOLUTION NO. 06-264, A RESOLUTION ADOPTING THE 2006 TAX LEVY, COLLECTIBLE IN 2007, FOR THE CITY OF COTTAGE GROVE. MOTION CARRIED 5-0.

C. Consideration of 2007 Liquor License Renewal for Rush Nightclub

Mayor Shiely requested the City Administrator's report.

The City Administrator reported that City staff ensured business taxes had been paid prior to bringing liquor license renewal requests before the Council. He stated that Rush Nightclub had not paid taxes by last Monday's deadline though had been received on Tuesday, so the recommendation was being brought before Council to review, discuss, and contemplate approval for the Rush Nightclub liquor license renewal. The City Administrator added that the Public Safety Department had reviewed the materials and found no reason not to issue the renewal.

Frank Frannelo, assistant manager of the Rush Nightclub, explained that the delay to pay had been because they needed the income from Thursday, Friday, and Saturday nights to go towards the property taxes first, then wait for fund to be wire transfer on Monday that, unfortunately, was received a day late on Tuesday.

Council Member Bigham inquired as to why they waited until the week before the due date. Mr. Frannelo responded that funds up until that time were designated for utilities.

Council Member Rice commented that it had not been the first time that Rush Nightclub was making payment late. He expressed concern that the business appeared to be juggling bills to stay afloat and said he hoped it would use tonight's experience before Council to straighten up and figure things out.

The Public Safety Director commented that the Rush Nightclub generated more police activity than other establishments in the area, citing over the past three years 163 response calls and 39 arrests. He said Rush employees were good about calling for false identifications for minors, and encouraged establishments to continue to keep those controls, but added that there were peripheral issues he had concerns about. Mr. Frannelo responded that nightclub activities included bands and other forms of entertainment to increase revenue and that some

events, such as FX fighting, were determined too violent for the establishment and then discontinued.

Council Member Rice suggested that Rush Nightclub contact City Hall regarding proposed activities other than bands. He said he was happy to have people from other areas of the metro come in, have fun, spend money, and enjoy the establishment so it could pay the tax bill and liquor license renewal but also noted that the business needed to be good neighbors to others around.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO APPROVE THE LIQUOR LICENSE RENEWAL OF LIQUOR LICENSE TO RUSH NIGHTCLUB, CONTINGENT ON COMPLIANCE WITH THE CITY CODE REGULATIONS AND RECEIPT OF A CERTIFICATE OF LIQUOR LIABILITY INSURANCE COVERAGE.

Council Member Grossklaus warned that he would bring the establishment before Council again should future problems arise.

Mayor Shiely inquired as to whether extensions had been authorized to other establishments. Caron Stransky, from City staff, responded that no one else had any outstanding taxes or fees owed to the City. Mayor Shiely recommended that City Hall not grant a liquor license renewal extensions in the future, as it was not fair to other businesses that adhere to the requirement, and that perhaps the subject of under-21 admittance to Rush Nightclub be discussed again in the future. She then warned Mr. Franelo that she would not vote to grant a liquor license renewal for them if the payment were late next year.

Council Member Bailey said he concurred with Council and realized that Mr. Franelo was the messenger for the establishment but asked that he convey to the owner that there would not be another liquor license renewal extension in the future. Mr. Franelo responded that he understood, noting that it would help the establishment when the properties to the north and south were sold, as those property taxes would be reduced greatly.

Council Member Rice commented to Mr. Franelo that Council Member Bailey had made a promise and not a threat.

UPON VOTE BEING TAKEN, MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

None.

COUNCIL COMMENTS AND REQUESTS

Mayor Shiely announced that some City staff and Council Members would be going to Ruby Tuesdays in Cottage Grove to share a glass of soda and express good wishes for the holiday

season and that it was open to the public, to begin at approximately 8:30 p.m. that evening. The City Attorney added that it was a social event and there would be no discussion of business.

PAY BILLS

MOTION BY BIGHAM, SECONDED BY BAILEY, TO APPROVE PAYMENT OF CHECK NUMBERS 148063 TO 148288 FOR \$1,101,065.12. MOTION CARRIED 5-0.

WORKSHOP SESSION – OPEN

None.

WORKSHOP SESSION – CLOSED

None.

ADJOURNMENT

MOTION BY BIGHAM, SECONDED BY MAYOR SHIELY, TO ADJOURN THE MEETING AT 8:13 P.M. MOTION CARRIED 5-0.

Respectfully submitted,

Mary Heintz
TimeSaver Off Site Secretarial, Inc.