

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

August 8, 2007

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.

Present: Mayor Sandy Shiely
Council Member Myron Bailey
Council Member Mark Grossklaus
Council Member Fred Luden
Council Member Pat Rice

Also Present: Les Burshten, Public Works Director
Ron Hedberg, Finance Director
Jennifer Levitt, City Engineer
Corrine Thompson, City Attorney
Craig Woolery, Public Safety Director

Not Present: None

Mayor Shiely opened the Open Forum at 7:15 p.m.

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, August 8, 2007, at the Cottage Grove City Hall, 7516 80th Street South. Mayor Shiely called the meeting to order at 7:30 p.m.

ROLL CALL

Present: Mayor Sandy Shiely
Council Member Myron Bailey
Council Member Mark Grossklaus
Council Member Fred Luden
Council Member Pat Rice

Also Present: Les Burshten, Public Works Director
Ron Hedberg, Finance Director
Jennifer Levitt, City Engineer
Corrine Thompson, City Attorney
Craig Woolery, Public Safety Director

Not Present: None

ADOPTION OF AGENDA

Mayor Shiely announced that Presentation Items B and C would be reversed, with the Green Garden Awards preceding the other.

MOTION BY RICE, SECONDED BY BAILEY, TO APPROVE THE AGENDA AS AMENDED.

MOTION CARRIED 5-0.

PRESENTATION

A. Red Rock Corridor

Mayor Shiely introduced Mike Rogers, Washington County transportation planner, and County Commissioner Myra Peterson. She announced that there would be a meeting at City Hall on August 23 regarding the Red Rock Corridor and all residents are welcome to attend and receive information.

Mr. Rogers addressed the Council and reported that a newsletter was being distributed on the subject; there will be area meetings on the subject at the St. Anthony Park Library on August 21, Hastings City Hall on August 22, Cottage Grove on August 23 (as noted earlier), and Red Wing Public Library on September 11; and there will be an informational booth at the State Fair. He provided detailed information regarding the advancement of the Red Rock Corridor as well as a summary and conclusions.

Red Rock Corridor Summary				
	2001 Study (Hastings to Minneapolis)	2007 Study (Hastings to St. Paul)	Enhances Bus Option	Additional Bus Options
Riders	5,900	1,600	900	2,200-3,200
Capital Costs	\$421m (2010)	\$350m (2007)	\$35-50m	Over \$50m
Operating Costs	\$5m (2010)	\$6.7m (2007)	\$7m	Over \$7m
Includes rides bound for destinations west of the Union depot, including Minneapolis				

Conclusions drawn: New Starts Process does not analyze system-wide benefits or economic development and is not a good fit, travel time would be 17 minutes faster than baseline service, and there would be significant long-term ridership growth potential.

Mr. Rogers noted the importance of making each station successful in the city it's located at and incorporating it into the Comprehensive Plan updates for 2008 throughout the Corridor.

Council Member Luden inquired as to why the investment isn't being made instead to make Minneapolis and St. Paul better places to live and avoid the sprawl. Mr. Rogers responded that the cities aren't able to draw residents in, which encourages further ringing out, citing Detroit as another example.

Council Member Rice asked if the Red Rock Corridor would reduce the current bus service. Mr. Rogers responded by saying that bus service would not be running except to loop into the train station. Council Member Rice then asked what the average travel time would be from Cottage Grove to the Union Depot, and Mr. Rogers said it would be approximately 20-25 minutes. Council Member Rice inquired about rail priority, and Mr. Rogers responded that, as part of negotiations, there would be need to maintain a 98% on-time performance. Council Member Rice asked how long a realistic timeline will be for completion, and Mr. Rogers said there will be need for Minnesota to do its own environment studies, which will take approximately 2-1/2 years, and then add additional trains to get full high-speed service.

Commissioner Myra Peterson, chair of the Red Rock Corridor commission and the Washington County representative, commented that MDOT has decimated the rail department and she is hoping that the impetus will rebuild it, which is key to development of the State. She said it is time not to continue to be held hostage by Northwest Airlines to get from the Twin Cities to Chicago and Congressman Oberstar indicated reduced flights to O'Hare could increase long-distance flights significantly and the State wouldn't need to enlarge the airport as rapidly, saving money in the long run, and would reduce reliance on fuel. Mr. Rogers added that travel time is estimated to 5-1/2 hours from downtown Minneapolis to downtown Chicago via high-speed rail, comparable to air travel time.

Mayor Shiely said high-speed rail is important to develop Red Rock, and the Commission is represented by the cities of Cottage Grove, Hastings, Newport, Red Wing, St. Paul Park and that the counties of Dakota, Hennepin, Ramsey, and Washington are serving as funding agents. She stated that it is very important that the communities updating Comprehensive Plans look at the future as to where rail stations will go and said the Community Planning and Development Director has invited Mr. Rogers to attend the October meeting, to look at the City's Comprehensive Plan.

Mayor Shiely thanked Mr. Rogers for his presentation.

B. Green Garden Awards – Annette and Dick Mullen (Residential) and Renewal by Andersen (Commercial)

The City Engineer introduced horticulture intern Mindy Walter and asked her to announce the Green Garden Awards nominees and winners, recognized for their excellent landscaping.

Ms. Walter reported that judging criteria had been created and there were 11 nominations for the residential award and one commercial nomination. She displayed photos of the gardens and identified the nominees and winners:

2007 Green Garden Award (Residential) nominees include the Dahlen's, Art Wolfe, Claudia Glas, Jene Aimionetti, Cathy Cam and Joe Young, Kellie Kellner, the Masloski's, the Olson's, and the Pedrow's. First runner-up is Betty Anderson and the winner award is given to Dick and Annette Mullen. Mayor Shiely presented the award to the Mullen's on behalf of the Council and City and thanked them for their hard work, announced that Renewal by Anderson as the winner of the 2007 Green Garden Award (Commercial) but was unable to attend the meeting, and thanked the horticulture interns.

C. Presentation by Horticulture Interns Nicole Anderson, Kaitlin Peck, Mindy Walter and Kao Sunny Yang

Mayor Shiely and the Council received the summaries of the horticulture interns.

Mindy Walter's projects included improving the Pine Tree Pond Development sign from both the road and the trail and the 80th Street Gateway North Area including the Burnet Realty sign and US Bank retaining wall. Nicole Anderson's project included Kingston Park Entrance redesign. Katilin Peck's project included the Atkinson Cemetery design and business district of downtown Cottage Grove. Sunny Yang's projects included Hidden Valley Pond and West Point Douglas screening. Smaller projects for the interns included 80th Street welcome rocks, City planters, and the Green Garden Award.

Mayor Shiely said the Council appreciates all that the interns have done, including pruning and cleaning up the medians on 80th Street, a difficult job that was much appreciated.

D. Eagle Scout presentation – Thomas Bencomo, Zachary Bullough, Brett Johnson, Bryce Johnson, Ryan Otis

The Mayor and Council Members presented Eagle Scout awards to those Eagle Scouts able to attend, including Thomas Bencomo, Bryce Johnson, and Ryan Otis for their achievements, who then described their projects. She also recognized Zachary Bullough and Ryan Otis, who were unable to attend.

APPROVAL OF MINUTES

None.

CONSENT CALENDAR

Council Member pulled Item B, accepting donations for the ice arena expansion project, and recognized recent donations made by Michael Reckinger, Ryan Schroeder, Zac Dockter, Joe Gall, and the Gray family, and encouraged others to do the same.

MOTION BY RICE, SECONDED BY LUDEN, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
 - I. ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES FROM MARCH 2007 THROUGH JUNE 2007.
- B. ADOPT **RESOLUTION NO. 07-132** ACCEPTING DONATIONS TOTALING \$1,200 FOR THE ICE ARENA EXPANSION PROJECT.
- C. ADOPT **RESOLUTION NO. 07-133** AWARDING THE CONTRACT FOR THE 79TH STREET SIDEWALK CONSTRUCTION – HEMINGWAY TO HINTON AVENUE – IN THE AMOUNT OF \$33,669.00 TO FRANK ZAMORA'S.
- D. APPROVE CHANGE ORDER #1 FOR TOPSOIL SCREENING OF THE HAMLET POND EXPANSION.
- E. ADOPT 1) **RESOLUTION NO. 07-134** DECLARING COSTS TO BE ASSESSED AND ORDERING THE PREPARATION OF THE PROPOSED ASSESSMENT ROLL FOR SECURING PROPERTY LOCATED AT 6882 98TH STREET SOUTH FROM PUBLIC ENTRANCE; AND 2) ADOPT **RESOLUTION NO. 07-135** CALLING A HEARING FOR SEPTEMBER 5, 2007, ON THE PROPOSED ASSESSMENT FOR SECURING PROPERTY LOCATED AT 6882 98TH STREET SOUTH FROM PUBLIC ENTRANCE.
- F. ADOPT **RESOLUTION NO. 07-136** DECLARING COSTS TO BE ASSESSED AND ORDERING THE PREPARATION OF THE PROPOSED ASSESSMENT ROLL FOR THE REMOVAL OF A BURNT HOUSE AT 8414 66TH STREET SOUTH; AND 2) ADOPT **RESOLUTION NO. 07-137** CALLING A HEARING FOR SEPTEMBER 5, 2007, ON THE PROPOSED ASSESSMENT FOR THE REMOVAL OF A BURNT HOUSE AT 8414 66TH STREET SOUTH.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

None.

PUBLIC HEARINGS

- A. Consider granting All Poolside Services a variance to the Mississippi River corridor Critical area ordinance requirement for purposes of reducing the 100-foot bluff setback to 15 feet for an in-ground swimming pool at 11470 Kingsborough Trail South.

The Community Planning and Development Director reported that, according to protocol, the Planning Commission would have met to hold a public hearing for the application but did not have a meeting this month and so it is now coming before the Council. He displayed a drawing, aerial view, and site photos, and said the project has no negative impact.

Background information: All Poolside Services filed a variance application to an ordinance requirement that all structures setback a minimum of 100 feet from a bluff. The applicant's client, Michael and Laura Gray, propose to construct an 18-foot by 36-foot in-ground swimming pool in their backyard at 11470 Kingsborough Trail South with a boulder retaining wall along the west, south, and east sides of the pool. The pool location meets the R-2 Residential Estate setback criteria but does not meet the Mississippi River Corridor Critical Area bluff setback requirement. In summary, he reported that the variance application is consistent with the comprehensive land use plan and meets all other applicable zoning ordinance criteria. The applicant's unique circumstance is the varying terrain, limited building area on the lot, and maximizing tree preservation on the property. Granting a variance to the bluff setback is subject to these conditions: 1) The property owner completes a building permit application and is issued a building permit before any construction begins, 2) An erosion control plan is submitted and approved by the City, 3) The approved erosion control devices are completed prior to scheduling the first building inspection, 4) Once the swimming pool and retaining wall are constructed, all ground surfaces disturbed during construction must be restored with a vegetation ground cover, and 5) A minimum of two trees are planted south of the boulder retaining wall/in-ground pool, and other plantings are recommended near the base of the boulder retaining wall facing the River to mitigate its appearance from the River.

Mayor Shiely opened the public hearing at 8:32 p.m.

Applicant Laura Gray, 11470 Kingsborough Trail South, said the bluff line is an arbitrary line, the house visible from river, but the swimming pool will be below ground.

Jerry Teisen, All Poolside Services, 121 E County Road C, Little Canada, reported for the record that he is asking for an addendum for a 20 x 36 rather than 18 x 36 swimming pool.

There being no additional speakers, Mayor Shiely closed the public hearing at 8:34 p.m.

MOTION BY LUDEN, SECONDED BY BAILEY, TO ADOPT RESOLUTION NO. 07-138 GRANTING A VARIANCE TO TITLE 11-15-8C(1), MISSISSIPPI RIVER CORRIDOR CRITICAL AREA OVERLAY DISTRICT DEVELOPMENT STANDARDS, TO ALLOW A 20-FOOT BY 36-FOOT IN-GROUND SWIMMING POOL AND BOULDER RETAINING WALL TO BE WITHIN 15 FEET OF THE ESTABLISHED BLUFF LINE WHEN 100 FEET IS REQUIRED FOR PROPERTY LOCATED AT 11470 KINGSBOROUGH TRAIL SOUTH, PER STAFF RECOMMENDATIONS.

MOTION CARRIED 5-0.

BID AWARDS

None.

UNFINISHED AND NEW BUSINESS

A. Consider approving the Development Agreement for Frattalone's Southpoint Ridge

The development plan for Frattalone's Southpoint Ridge between the City and Southpoint Ridge, LLC is before the Council for approval. The agreement covers standard development and assessment information as well as details on the grading and reimbursement for the Gateway Pond grading. The Community Planning and Development Director stated that there is a signed development agreement and Staff recommends approval of the agreement for Frattalone's Southpoint Ridge.

MOTION BY RICE, SECONDED BY BAILEY, TO APPROVE THE DEVELOPMENT AGREEMENT CONTINGENT UPON THE DEVELOPER EXECUTING THE AGREEMENT BEFOREHAND.

MOTION CARRIED 5-0.

B. 1) Consider approving the Development Agreement for Everwood; 2) consider approving the revised feasibility report for Everwood Addition, and 3) Consider approving the preparation of plans and specifications for Everwood Addition.

The development plan for Everwood Addition between the City and MJR Developers, LLC and Aspen Grove, LLC is before the Council for approval. The agreement covers standard development and assessment information as well as details on the grading and reimbursement for the offsite Pond grading. Based on revisions to the feasibility report, Council is asked to adopt the revised feasibility report dated January 2007 and to authorize the preparation of plans and specifications for phase one of the project, which consists of seven single-family residential lots. The Community Planning and Development Director stated that there is a signed development agreement and Staff recommends approval of the agreement for the Everwood Addition. He added that there will be seven lots in the first phase, snags have been worked out, the land trust conservation easement that overlays was reconfigured, and the trust is on board as well as the previous land owner.

MOTION BY GROSSKLAUS, SECONDED BY RICE, TO APPROVE THE DEVELOPMENT AGREEMENT, APPROVE THE FEASIBILITY REPORT, AND AUTHORIZE THE PREPARATION OF PLANS AND SPECIFICATIONS, CONTINGENT UPON THE DEVELOPER EXECUTING THE DEVELOPMENT AGREEMENT BEFOREHAND.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

None.

COUNCIL COMMENTS AND REQUESTS

None.

PAY BILLS

MOTION BY BAILEY, SECONDED BY LUDEN, TO APPROVE PAYMENT OF CHECK NUMBERS 151215 TO 151477 IN THE AMOUNT OF \$887,499.55.

MOTION CARRIED 5-0.

Mayor Shiely reported that Council would be going into both Open and Closed Sessions following the Council meeting, to discuss the subject of a City early retirement program in Open session and pending litigation in Closed. The City Attorney added, for the record, that the purpose for the Closed Session will be to update Council and discuss strategies and direction for litigation regarding a special assessment appeal by U.S. Home that is pending before the District Court and absolute confidentiality is necessary.

The Council adjourned to the Open Workshop Session at 8:41 p.m.

WORKSHOP SESSION – OPEN

A. Early Retirement Program

The Finance Director provided Council and Staff with direction on creating an early retirement program, including policy, eligibility, program options, application and approval, and additional considerations.

The five Council Members listened to a presentation by Ron Hedberg, Finance and Administration Director. He outlined the purpose of the Early Retirement Incentive Program explaining that it was a way to relive pressure on the budget while at the same time realizing efficiencies through redesigned and vacant positions. He stated that to be eligible an employee would have to be 55 years or older and have worked for the City of Cottage Grove for 15 years or more. He proposed that sworn public safety personnel were exempt from the program. He offered three options: 1) \$800 times years of service, 2) \$800 times years of service plus the cost of 18 months of health care premiums, and 3) average weekly pay times years of service. He stated that eligible individuals interested in the program must decide by November 15th and retire by January 15 to receive the full benefit. If an individual wishes to retire after that they will be entitled to a reduce incentive. Those dates are decision by February 15th and retirement by April 15th, 2008. He emphasized that all proceeds will be deposited into a Health Care Savings Account opened for retirees by the city.

The Mayor stated that she believed based on her own experience with the School District that health care costs was the number one concern of people when considering early retirement. The Council raised concerns about the amount of health care the city should offer as an incentive. Councilmember Rice proposed 6 months of health care and payout of the average

weekly salary times years of service. Councilmember Luden explained how similar programs worked in the public sector. Mayor Shiely expressed concern about including in the incentive package, payments for waiving health care. Council Members were also interested in the amount of savings the program would produce for the City. Mr. Hedberg explained that he had done calculations outlining savings in the first year and the second year and that certain options produced more savings than others. Mr. Hedberg also gave a sample person calculation for the Council outlining costs and savings. The Council also stated that they did not want to pursue a staff reduction program above and beyond the ERIP at this time. Mayor Sheily stated she felt the employees were all very busy and that staffing amounts seemed right to her. Councilmember Bailey gave his option on a step by step basis following the questions that Mr. Hedberg outlined in his presentation. Councilmember Grossklaus stated that he would not be in favor of a staff reduction at this time. The Council asked Public Safety Director Woolery if he was ok with excluding sworn public safety personnel from the program. He stated he understood the reasons and emphasized the youth of his department and said he would support the program. Mr. Hedberg said that all unused annual leave would be distributed according to the individual's labor agreement and or city policy and that Memos of Understanding could be one way to change existing language in a current labor agreement.

The Council unanimously recommended that the ERIP be based upon: the average weekly salary times years of service to Cottage Grove plus a dollar figure representing six months of health care premiums. They agreed that this incentive should be put into a Post Employment Health Care Savings Account opened for individuals by the City. They agreed that sworn public service personnel and fire fighters would be exempt from the program at this time.

WORKSHOP SESSION – CLOSED

Pending Litigation

The purpose for the Closed Session will be to update Council and discuss strategies and direction for litigation regarding a special assessment appeal by U.S. Home that is pending before the District Court and absolute confidentiality is necessary.

ADJOURNMENT

MOTION BY RICE, SECONDED BY BAILEY, TO ADJOURN THE MEETING AT 10:35 P.M.

MOTION CARRIED 5-0.

Respectfully submitted,

Mary Heintz
TimeSaver Off Site Secretarial, Inc.