

# REGULAR MEETING COTTAGE GROVE CITY COUNCIL

February 20, 2008

## 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: Ryan Schroeder, City Administrator  
Howard Blin, Community Development Director  
Les Burshten, Public Works Director  
Ron Hedberg, Finance and Administrative Services Director  
Corrine Heine, City Attorney  
Jennifer Levitt, City Engineer  
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, February 20, 2008, at the Cottage Grove City Hall, 7516 80<sup>th</sup> 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: Ryan Schroeder, City Administrator  
Howard Blin, Community Development Director  
Les Burshten, Public Works Director  
Ron Hedberg, Finance and Administrative Services Director  
Corrine Heine, City Attorney  
Jennifer Levitt, City Engineer  
Craig Woolery, Public Safety Director

Not Present: None.

### ADOPTION OF AGENDA

Mayor Shiely requested a change in the order of the evening's agenda, moving the 2007 Photo Contest Winners ahead of the Community Survey.

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

MOTION CARRIED 5-0.

### PRESENTATIONS

A. Color Guard: Boy Scouts of America Troop 237

Mayor Shiely thanked Troop 237 for the Color Guard presentation, which was completed in advance of the adoption of the evening's agenda.

B. Eagle Scout Awards: Ian G. Constable, Jonathan P. Halbur, Andrew P. LeMay

Mayor Shiely expressed appreciation, on behalf of the City, and presented plaques to the young gentlemen achieving the Eagle Scout rank: Ian G. Constable, Jonathan P. Halbur, and Andrew P. LeMay, who each then described their projects.

C. 2007 Cottage Grove Photo Contest Winners

Management analyst Joe Fischbach provided background information on the contest and identified the winners, who received \$75 for First Place and \$50 for Second. Congratulations were then extended to Hank Drabczak (Landmarks, First Place), Kathy Houston (Landmarks, Second Place), Lori Larson (People, First and Second Places, and Nature, Second Place), and Christopher Lethgo (Nature, First Place) for their excellent entries in this year's photo contest. He thanked all for their participation and acknowledged Jim Levitt of Northern Elements Photography for his assistance with the photo judging.

D. Community Survey by Decision Resources, Inc.

Mayor Shiely reported that the Community survey was conducted in 2007 and invited Decision Resources to address the Council.

Bill Morris, President of Decision Resources, Inc., headquartered in Minneapolis, provided a detailed interpretation of the survey results for Council, which had included 400 resident participants, resulting in a statistically valid sample with a margin of error of plus or minus 5%.

Mr. Morris summarized that the survey results are very positive for the City, denoting a solid reservoir of good will among residents. He said growth and attracting the right kind of amenities are wanted but residents will be supportive as long as the small-town ambience is continued. Ratings were high for the City's strategic goals and 81% of respondents feel the City is moving in the right direction. Mayor Shiely thanked Mr. Morris for his report.

Council Member Rice asked how responses from western Wisconsin residents commuting to the Twin Cities area compared to Cottage Grove commuters. Mr. Morris said Wisconsin commuters averaged 30 minutes, which was greater than Cottage Grove's 22.

Council Member Grossklaus requested clarification about the response that 19% of responders were "not working." Mr. Morris said it also reflected those not working outside the home.

Mayor Shiely asked how the City could go about getting a valid answer to a question not on the survey, that being level of education. Mr. Morris said that data had been collected and he would be more than willing to share with Council.

### APPROVAL OF MINUTES

January 16, 2008, Regular Meeting

Mayor Shiely stated that the minutes stood approved as submitted.

### CONSENT CALENDAR

Council Member Grossklaus pulled Item B, to thank Werner Electric, a new member of the Community, for their donation for the annual Human Services/Human Rights Commission Essay Contest.

MOTION BY BAILEY, SECONDED BY LUDEN, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
  - I. JANUARY 14, 2008, PUBLIC WORKS COMMISSION MEETING MINUTES.
- B. ADOPT **RESOLUTION NO. 08-029** ACCEPTING A DONATION FROM WERNER ELECTRIC TO BE USED FOR PRIZES FOR THE ANNUAL HUMAN SERVICES/HUMAN RIGHTS COMMISSION ESSAY CONTEST.
- C. AUTHORIZE THE PURCHASE OF 35,000 POUNDS OF CRAFCO 221 HOT POUR CRACK SEALANT AT \$0.42 PER POUND FROM BROCK WHITE COMPANY.
- D. ADOPT **RESOLUTION NO. 08-030** ACCEPTING THE DONATION OF ITEMS BY VARIOUS MERCHANTS FOR THE COTTAGE GROVE FIRE AUXILIARY APPRECIATION DINNER.

- E. APPROVE CHANGE ORDER #2 FOR INSTALLING UTILITIES BELOW EXISTING STORM SEWER, INSTALLING CUSTOM-MADE MANHOLE MARKERS, ASSISTING TELEVISIONING CREW TO ACCESS MANHOLES IN FIELD, AND HYDRANT EXTENSIONS FOR THE EAST RAVINE TRUNK UTILITIES – PHASE 2 PROJECT.
- F. APPROVE THE TERM EXTENSIONS OF DAVID ANDERSON AND ROGER FINNEGAN FOR THREE MONTHS OR UNTIL REPLACEMENTS ARE SELECTED, WHICHEVER IS SOONER, TO THE PUBLIC WORKS COMMISSION.
- G. ADOPT **RESOLUTION NO. 08-031** ACCEPTING GRANT FUNDING IN THE AMOUNT OF \$1,900.00 FROM THE WASHINGTON COUNTY DEPARTMENT OF PUBLIC HEALTH AND AUTHORIZE THE PURCHASE OF EDUCATIONAL MATERIALS, A TENT, AND OTHER ITEMS TO BE PLACED AT THE COTTAGE GROVE STRAWBERRY FESTIVAL FOR THE PUBLIC'S BENEFIT.
- H. AUTHORIZE THE PURCHASE OF A CHEMICAL SPRAYER FOR RIVER OAKS GOLF COURSE FROM GREEN IMAGE LLC AT A PRICE OF \$23,900.00.
- I. ADOPT **RESOLUTION NO. 08-032** APPROVING FINAL PAYMENT IN THE AMOUNT OF \$17,388.25 TO TMI COATINGS FOR THE GRANGE TANK RECONDITIONING.
- J. ADOPT THE 2008-2012 CAPITAL IMPROVEMENT PROGRAM.
- K. APPROVE THE PURCHASE OF ONE NEW JOHN DEERE UTILITY TRACTOR/ATTACHMENTS FROM GREEN IMAGE AND ONE PRONOVOST SNOW BLOWER FROM CARLSON TRACTOR FOR A TOTAL OF \$78,989.48.
- L. AUTHORIZE THE DISTRIBUTION OF A REQUEST FOR QUALIFICATIONS TO CONSULTING FIRMS FOR PREPARATION OF THE EIS FOR THE NELSON MINE EXPANSION PROPOSAL.

MOTION CARRIED 5-0.

#### RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

##### A. Receive response regarding dog park.

The Community Development Director reported that Dick Swanson and Ellen Edwards of the South Washington County Woof Park group appeared at the February 6, 2008, Council open forum to advocate for an off-leash dog park. He then referenced material provided for Council to consider in reviewing the proposal from the Woof Park group. Council may take one of the following steps: 1) reiterate to Washington County that a dog park be included in plans for Cottage Grove Ravine Regional Park and that the County should operate the facility, 2) begin discussions with the County and the South Washington Woof Park group about a jointly-operated facility in the Regional Park, or 3) other steps as Council may direct.

Mayor Shiely said she would appreciate feedback from Council.

Council Member Grossklaus expressed support for option one, that Washington County operate the dog park.

Mayor Shiely noted that Washington County is the only one that does not collaborate with a city in operating a dog park, adding that Battle Creek Dog Park is successful and is operated

by Ramsey County.

Council Member Bailey commented that he feels for the promoters of the dog park because they have gone back and forth with the City and County and expressed support that he would like to do something with the County. He stated emphatically that he doesn't want Public Works to get into the business of cleaning up after animals but said the current group promoting the park appears involved and active.

Council Member Luden expressed support for a dog park but said the location seems obvious that Washington County be should stepping up and taking responsibility for it. Council Member Rice concurred.

Mayor Shiely said that she is not opposed to the concept of a dog park but successful ones are run by loyal volunteer organizations. She also expressed her concern that Public Works not take on the responsibility for any dog park or that it become a burden to the City. She summarized, and it was Council consensus, that the City look into including the concept in its Comprehensive Plan process but needs to talk about ways to improve its influence on Washington County, to let them know the City feels a dog park is their responsibility.

#### PUBLIC HEARINGS

- A. 1) Hold the public hearing on the nomination of the Cedarhurst Gardener's Cottage, 9912 70<sup>th</sup> Street South, to the City Register of Historic Sites and Landmarks; and 2) Consider approving the registration of the Cedarhurst Gardener's Cottage to the City of Cottage Grove Register of Historic Sites and Landmarks.

City Planner John Burbank reported, in his memo of February 14, 2008, that the City of Cottage Grove's Advisory Committee on Historic Preservation (ACHP) and the City Historic Preservation Officer (CHPO) is nominating the Cedarhurst Gardener's Cottage, 9912 70<sup>th</sup> Street South, to the City Register of Historic Sites and Landmarks. The recommendation for Council is to open the scheduled public hearing to allow testimony favoring or opposing the designation of the Cedarhurst Gardener's Cottage as an historic site and approve its registration to the City of Cottage Grover Register of Historic Sites and Landmarks.

Mayor Shiely opened the public hearing at 8:50 p.m. There being no speakers, she then requested that Council continue the public hearing to the March 19, 2008, Council Meeting as the owners would appreciate more time for consideration.

MOTION BY RICE, SECONDED BY LUDEN, TO CONTINUE THE PUBLIC HEARING OF THE NOMINATION OF THE CEDARHURST GARDENER'S COTTAGE AND APPROVING ITS REGISTRATION TO THE CITY OF COTTAGE GROVE REGISTER OF HISTORIC SITES AND LANDMARKS TO THE MARCH 19, 2008, COUNCIL MEETING.

MOTION CARRIED 5-0.

BID AWARDS

- A. Consider awarding the contract for the Ice Rink Construction to Commercial Refrigeration Systems in the amount of \$829,248.00 and Dasher Boards to Rink Systems in the amount of \$123,900.00.

The City Engineer reported that Commercial Refrigeration Systems had submitted the lowest of five bids for the Ice Rink Construction and Rink Systems had submitted the lowest of four bids for the Dasher Boards. It is staff's recommendation that Council adopt resolutions awarding these contracts.

Council Member Grossklaus inquired about the alternate number of \$8,000, and the City Engineer reported that the difference was a change from aluminum to steel for the dasher board system frame. She stated that more savings could result from the outcome of package three.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT **RESOLUTION NO. 08-033** AND **RESOLUTION NO. 08-034**, AWARDING THE ICE RINK CONSTRUCTION TO COMMERCIAL REFRIGERATION SYSTEMS IN THE AMOUNT OF \$829,248.00 AND DASHER BOARDS TO RINK SYSTEMS IN THE AMOUNT OF \$123,900.00.

MOTION CARRIED 5-0.

- B. Consider awarding the contract for the 2008 Pavement Management Project to Valley Paving, Inc. in the amount of \$4,909,814.24; 2) Consider adopting the assessment method as proposed in option four, allocating direct water main replacement costs against the water utility; and 3) Consider directing staff to prepare an ordinance allowing for partial prepayment of assessments.

The Finance Director provided highlights regarding the 2008 Pavement Management Project, previously reviewed by Council, and asked Council to consider awarding the contract to Valley Paving, Inc.; adopt an assessment method, allocating direct water main replacement costs against the water utility; and direct staff to prepare an ordinance allowing for partial prepayment of assessments. The City Administrator reported that received bids were 12% lower than anticipated and, because of that, would result in a lower assessment.

MOTION BY GROSSKLAUS, SECONDED BY LUDEN, TO ADOPT **RESOLUTION NO. 08-035**, AWARDING THE 2008 PAVEMENT MANAGEMENT PROJECT TO VALLEY PAVING, INC. IN THE AMOUNT OF \$4,909,814.24.

MOTION CARRIED 5-0.

The City Administrator reported that Council had directed staff to come back with a recommendation as to how to pay for underground work related to the water system, identified as option four in the Council packet, allocating direct water main replacement costs against the water utility, which will result in \$200 assessment reduction per household.

The Finance Director provided a slide of the estimated assessment amount, which is \$2,221, lower than the original \$3,201, because of favorable bids and the direct water main cost being moved to utility. Mayor Shiely complimented staff, noting that they listened to the people and made changes, and commented that it seems fair.

MOTION BY BAILEY, SECONDED BY RICE, TO ADOPT THE ASSESSMENT METHOD AS PROPOSED IN OPTION FOUR, ALLOCATING DIRECT WATER MAIN REPLACEMENT COSTS AGAINST THE WATER UTILITY FOR THE 2008 PAVEMENT MANAGEMENT PROJECT.

MOTION CARRIED 5-0.

The Finance Director reported that several residents had inquired as the last public hearing whether prepayments would be allowed, and the requested action is in response to that request.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO DIRECT STAFF TO PREPARE AN ORDINANCE ALLOWING FOR PARTIAL PREPAYMENT OF ASSESSMENTS FOR THE 2008 PAVEMENT MANAGEMENT PROJECT.

MOTION CARRIED 5-0.

#### UNFINISHED AND NEW BUSINESS

A. Provide direction on Ice Arena expansion financing options.

The Finance Director reviewed in detail the three proposed options for Council and said staff is recommending that the Debt Service Reserve be funded with cash from the closed Debt Fund and be returned when the bonds are retired. Staff also is seeking direction on the use of other funds to reduce the amounts bonded.

The City Administrator said the capital cost for the project has exceeded original estimates but, due to interest rate expectations lower than originally projected, paying the debt service will be about the same amount as was originally expected. He said option B, however, will send a positive message, recommending that Council do that and the levy will shrink. The City Administrator said option C, putting more cash in lowering the debt service, is also an option but recommended that Council continue to commit to levying back into the fund so that there is sufficient capital existing 2-3 years out to do the park building at Pine Tree Valley.

Council Member Grossklaus asked what the Closed Debt Fund would be used for. The City Administrator said it is a cash reserve, where funds are set aside to pay for projects. Council Member Grossklaus asked why such a large reserve was requested, citing an option to pay down as much as possible but knowing that down the road that future funds would be needed elsewhere. The City Administrator responded that the amount is needed for escrow. The Finance Director stated that there is a need to retain some cash reserved.

Council Member Luden asked what the cost of interest on bonds is versus return on investments, and the Finance Director stated that favorable interest rates on bond issuance is just over 4%, also reflected on what it can be invested at.

Council Member Bailey said he does not want to take money out of the Park Shelter Replacement Fund, for fear of setting a precedent, or the Building Replacement Fund. He said he has no problem with option B or something between options B and C.

Council Member Luden asked for clarification about need for future park buildings. It was noted that the Pine Tree Valley building is the last.

Mayor Shiely said she is opposed to taking money from the Park Fund, having to do with the number of people who benefit.

Council Member Grossklaus said there was a 4-1 vote not to put the building in at Pine Tree Valley but he would have been willing to vote for it. He said he'd also be willing to go to the Municipal Building Fund.

Mayor Shiely said the Park Fund is used for the enjoyment of people using parks and trails. She also wants funds available for the Building Fund.

The City Administrator summarized Council comments, stating that interest seems to be in writing down a tax levy to support but not liking the source. He suggested to Council option C but utilizing the revenue source as Closed Debt for the \$800,000.

Council Member Luden said the bottom line is that tax levies will eventually be absorbed by the taxpayers. The Finance Director did agree that the Closed Debt Fund has no levy.

Council Member Rice expressed support for the Closed Debt Fund.

Council Member Bailey said the best guess is \$7.6 million but bid packages may come back better than anticipated, and he is concerned about the issue of waiting, to see if there is a true need to dip into funds. He said if it goes lower, his thought is to dip into the \$300,000 Pine Tree Valley Fund.

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

None.

#### COUNCIL COMMENTS AND REQUESTS

Council Member Bailey provided a planning update on the next Strawberry Festival and said anyone interested in helping with the Strawberry Festival can attend the meetings, held the first and third Mondays of each month at 6 p.m. in City Hall. The logo for the event has been chosen: "Groovin' in the Grove."

Mayor Shiely announced that any homeowners wishing to express assessment concerns can do so at the Washington County Board of Review on April 10, 5-7 p.m., at the Cottage Grove City Hall. She also announced that the Minnesota Department of Health will be holding a public meeting on March 4 regarding PFBA in wells and the health-based value, at All Saints Church with displays 6-7 p.m., a presentation 7-8 p.m., and citizen questions 8-9 p.m.

PAY BILLS

MOTION BY RICE, SECONDED BY BAILEY, TO APPROVE PAYMENT OF CHECK NUMBERS 153883 TO 154085 IN THE AMOUNT OF \$663,682.26.

MOTION CARRIED 5-0.

WORKSHOP SESSION – OPEN

None.

WORKSHOP SESSION – CLOSED

None.

ADJOURNMENT

MOTION BY BAILEY, SECONDED BY LUDEN, TO ADJOURN THE MEETING AT 9:33 P.M.

MOTION CARRIED 5-0.

Respectfully submitted,

Mary Heintz  
*TimeSaver Off Site Secretarial, Inc.*