

MINUTES

COTTAGE GROVE CITY COUNCIL

**COUNCIL CHAMBER
12800 RAVINE PARKWAY SOUTH**

September 20, 2023

REGULAR MEETING - 7:00 P.M COUNCIL CHAMBER

1. CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a regular meeting on September 20, 2023, at Cottage Grove City Hall, 12800 Ravine Parkway. Mayor Pro Tem Steve Dennis called the meeting to order at 7:00 p.m., as Mayor Bailey is away on business.

2. PLEDGE OF ALLEGIANCE

The audience, staff, and City Council Members stood and recited the Pledge of Allegiance.

3. ROLL CALL

City Clerk Tammy Anderson called the roll: Mayor Bailey - Not Present; Mayor Pro Tem Dennis - Here; Council Member Khambata - Here; Council Member Olsen - Here; Council Member Thiede - Here.

Also present: Jennifer Levitt, City Administrator; Kori Land, City Attorney-LeVander, Gillen & Miller, PA; Tammy Anderson, City Clerk; Gretchen Larson, Economic Development Director, Director; Zac Dockter, Parks and Rec Director; Pete Koerner, Public Safety Director; Brenda Malinowski, Finance Director; Emily Schmitz, Community Development Director; Ryan Burfeind, Public Works Director; Jaime Mann, Assistant to the City Administrator/Interim Communications Manager.

4. OPEN FORUM

Mayor Pro Tem Dennis opened the Open Forum. As no one wished to address the Council, Mayor Pro Tem Dennis closed the Open Forum.

5. ADOPTION OF AGENDA

Council Member Olsen made a motion to approve the agenda; second by Council Member Thiede. Motion carried: 4-0.

6. PRESENTATIONS

- A. South Washington County School District's Informational Presentation
Staff Recommendation: Receive South Washington County School District's presentation.

Mayor Pro Tem Dennis introduced Julie Nielsen, Superintendent, and Dan Pyan, Director of Finance and Operations, who will give an informational update tonight on the School District.

Superintendent Nielsen thanked the City for the ability to share their presentation. She stated their slogan for their campaign for November 7 is "Securing our Future and Supporting our Students." She wants the City Council to know that they spent six-to-eight months going out and talking with community members, postcards were sent, and meetings were held; so, they really consider this to be our community's plan. There were a number of priorities on the table, some that individuals wanted on the ballot, but some did not rise to that level just based on the community feedback. She noted there will be two bond questions on the ballot:

Question 1: (Highest Priority) Safety and security enhancements, and expansions and renovations at our secondary schools. Cost Estimate: \$160 Million.

Question 2: Addresses elementary school space at schools expected to exceed capacity, and addition of a second set of restrooms at five elementary schools. Cost Estimate: \$40 Million. So, the total cost of those two bond issues is \$200 Million.

Question 3: Capital Projects Levy (Technology Projects Levy), addresses infrastructure, safety and security related to technology.

Tax Impact of Bond Questions: For Questions 1 & 2 on Median Home Value, which is \$409,000 across South Washington County Schools, for both questions, it would be a cost of \$6 monthly, or \$75 annually. Question 3 is our Technology Levy, levied over 10 years; we are actually revoking what we have and asking to increase that. Additional dollars would be \$2.2 Million, for a total of \$5 Million; that would have a tax impact of an additional \$3 monthly, \$36 annually, on a Median Home Value.

Total Tax Impact: \$6 for Bond Questions 1 & 2, plus \$3 for Question 3, Capital Projects Levy, is a \$9 total monthly cost for a home of median value.

Bonds for Buildings: A Bond Referendum gives our voters the opportunity to authorize our District to raise construction funding through the sale of bonds. This is the only method to raise enough funds for new construction and extensive remodeling or expansion. People sometimes wonder why we don't just use our General Fund, as we must have money in that. General Fund dollars are really for operations. We are not holding onto \$200 Million, even in our General Fund. She displayed a sample ballot and noted it clearly states: *By voting yes on this ballot question, you are voting for a property tax increase.*

Bond Question 1, if passed:

*Construct new secured entryways at Park High School and Woodbury High Schools and Cottage Grove, Lake, and Woodbury Middle Schools. Those five schools currently do not have the highest secured entryway; she explained the different levels of security.

Approximate Cost: \$25 Million

*Planned addition at East Ridge High School and renovations at Park and Woodbury High Schools. Approximate Cost: \$105 Million

*Planned addition at Oltman Middle School and small renovation at Woodbury Middle School, filling in the pool and making that usable space. Approximate Cost: \$30 Million

Those things would occur within approximately three years.

Bond Question 1, if it does not pass:

*Bond Question 2 also fails because Bond Question 2 is contingent upon Bond Question 1 passing.

*Because Bond Question 2 fails if Bond Question 1 fails, attendance boundary changes at elementary schools will be implemented for the 2024-2025 school year.

*Considering alternative scheduling and course delivery options for high schools.

*Reviewing grade configurations at all levels, as East Ridge High School is at about 130%+ capacity, Woodbury and Park are very close to that. By changing high school attendance boundaries, we would not really get any different results except overcrowding another school even more.

Bond Question 2, if passed:

*Elementary School Additions in areas where we are most growing: Pine Hill, Red Rock, Bailey, and Grey Cloud. Approximate Cost: \$31 Million.

*Construction of additional restrooms at elementary schools only containing a single set/four stalls: Crestview, Hillside, Pine Hill, Pullman, and Royal Oaks. Approximate Cost: \$9 Million. Approximate total cost for both=\$40 million, or \$1 per month.

Bond Question 2, if it does not pass:

*Attendance boundary changes would occur at the elementary level for the 2024-2025 school year. Dan Pyan will speak about that.

*The five elementary schools above will continue with one set of restrooms.

Director Pyan stated if both Question 1 and Question 2 pass, there will not be any elementary school boundary changes for the 2024-2025 school year. If Question 1 passes, and Question 2 fails, then we will implement these attendance boundary changes at the elementary schools for the 2024-2025 school year. Some middle school boundaries will be adjusted to keep elementary school cohorts together as much as possible. At this time, there will be no changes to high school boundaries.

With the potential boundary changes, we wanted to know how many students this would affect if the boundary changes had to be made. Using last year's student totals as a sample base, it would affect about 427 students, which is about 310 to 320 families. On our website, under Facility Planning, there are maps also Boundary Change information; anybody who wants to know where their child will attend elementary school next year if Question 2 does not pass can simply go on there, type in their home

address, and it will show the elementary, middle, and high schools their children would be attending.

Question 3 is a Capital Projects Levy, so this is a levy and not a bond; this one is not contingent on either Question 1 or Question 2, it's simply asking the voters if we can levy more for capital projects related solely to technology. This will provide funds for improved instructional technology, support staffing, maintenance, and support for student and staff devices, and of course to enhance technology infrastructure and enhance technology security. The question on the ballot will read: *Shall the revocation of the existing capital project levy authorization and the replacement with a new capital project levy authorization proposed by the Board of Independent School District No. 833 (South Washington County Schools), Minnesota, be approved?* He noted that will change it from \$2 Million to \$5 Million. Once again, it reads, *By voting "yes" on this ballot question, you are voting for a property tax increase.*

As we connected with community members for feedback about the upcoming bond referendum, safety and security rose to the top of all the priorities. This levy will address safety and security related to technology; it seems like almost every week now another School District's technology has been compromised by ransomware, etc. We'd use these dollars to beef up our cybersecurity.

The levy is based on a tax rate, and as property values go up, it raises more money. If this is approved, the tax impact is about \$3 per month on a median-valued home in our District. Right now, we levy about \$137 per student; if this passes, our number will probably go up to about \$270 per student.

Question 3, if it passes:

- *Enhance cybersecurity
- *Maintain technology infrastructure
- *Upgrade security cameras
- *Expand digital access to curriculum and learning tools
- *Update educational and business software licensing
- *Maintain the devices distributed to students and staff during the pandemic with a refresh cycle to keep devices updated

Question 3, if it fails:

- *Device and technology costs would come from the General Fund
- *Technology support and device maintenance for families and staff would be limited
- *Device upgrade cycles would be delayed

Summary

Two Bond Questions: Question 1 is about safety and security enhancements, expansions, and renovations at secondary schools; Question 2 addresses elementary school space issues at schools projected to exceed capacity, and addition of a second set of restrooms at five elementary schools. Question 3 is a Capital Projects Levy (Technology Projects Levy): Is not contingent on the other two questions, addresses infrastructure and safety and security relating to technology.

Director Pyan stated if all three ballot questions pass, it would mean a \$9 per month tax increase on a median value home of \$409,000.

Superintendent Nielsen added on their website www.sowashco\facilityplanning, there is a tax calculator, a boundary calculator, and all of the important information can be found there, including polling locations, etc. She thanked the Council for their time, we really appreciate that you take time each year to hear our presentation and our ask of our community.

Mayor Pro Tem Dennis stated he appreciated both of them speaking tonight. He asked if any Council Members had any questions.

Council Member Olsen thanked both Julie and Dan for being here. He applauds that they went back to the drawing board and really engaged in community outreach to try to better understand the pulse of the community. He thinks they captured what seems to be most important to residents. He asked how they differentiate for the voter that you're trying to educate between what you're attempting to accomplish and just the regular funding of the schools. He guarantees there's somebody who's going to say, well, the legislature passed an awesome education bill, why do they need more money? How do you educate that person and help them understand the differences between the two?

Superintendent Nielsen replied they have tried to have updates once a month on finances, to talk about different funding streams, how those come in, including the one-time COVID dollars that got School Districts got. We had to be careful about what we spent it on. He's correct, as we hear we got so much from the State; we also have to consider the legislative expectations that came out of the legislature and the impact of those individual items that were approved, and what those items are going to cost us. Implementing law comes at a cost; one example is the Read Act, which we 120% support students being literate. Part of it is also professional development for our staff, and that's going to take a day each month to implement and make sure our staff is trained. So, while there were some additional dollars out there from the State, it feels like it was a landslide, but in the implementation portion of it, that's not what we see when we look at our overall budget. She let Director Pyan address the specifics.

Council Member Olsen stated there are unfunded mandates, and the State just made some long overdue corrections on some of the mandates they've placed in the past.

Director Pyan stated he always hopes people remember that bonds are for building, and levies are for learning. Our operations are all concentrated on learning. If you look at a dollar bill, all but 15% of our expenses goes directly into the classroom or it goes to cleaning the classroom or it goes to bringing kids to the classroom. It's just the way that buildings are funded in Minnesota for School Districts; he doesn't have expertise on how cities do it, but he knows you run into the same issues. We are not part of the State Bonding Bill, so they've said if you want to build a building, you're going to have to ask the taxpayers to borrow a lot of money; that's the only way we can do it, so hopefully, they just remember that it's a bond, they're building something. It's tangible, they'll see it go up, they'll see some kind of improvement. With the levy, it's day-to-day operations. As we look at the money we got from the State, it was very good news. If you look at

Special Education, the difference of what we take from General Fund operations to fund what's not funded by the State for Special Education, for us it's about a \$22 Million difference. The State put a lot of money towards it, but they only put so much; they cut into like half of it. So, we're still looking at \$11 Million deficit; it's just a matter of explaining where the money came from and where it's going.

Council Member Olsen stated he asked the same question last year, focusing on Special Ed; he has a son with autism, and he had a wonderful educational experience all the way through his time in ISD 833 schools. It was very clear that there was expense associated with that, and the State is famous for unfunded mandates. He appreciated their explanation, and they made some big changes, but perhaps they were just correcting what should have been dealt with previously. He thanked them again.

Council Member Khambata stated from what he remembered from the bond and levy questions last year, he got some feedback from people with whom he communicated on a personal level that they were frustrated that we keep going back and asking for more money. He reminded them that the School District again bonds are for building, levies are for learning, and they stated they didn't realize that. So, he thinks many people really don't understand how schools operate or how they're funded, any more than when we need to raise taxes, they ask why we need to raise taxes. We have to pay for certain things that are required by the City, and schools have to pay for certain things that are required in order for our kids to get a proper education. He asked them to repeat the website information and what some of those links are, so in the future, when he's asked these same questions, he can direct them to what he thought was a pretty good explanation of where the money goes and what it does. Many people he spoke with last year either hadn't taken any initiative to go find that information or didn't think it was readily available.

Superintendent Nielsen stated they heard that through their community sessions, because there aren't local newspapers, that it's really difficult. Residents in our communities aren't searching out our website, looking for information, so we were intentional about having cards that got mailed out. As a result of our failed election last August, our Communications Department is now doing a quarterly mailing; so, all residents should have gotten one as we opened the school year, and now, in the middle of October, we will be doing another one that will go out to all of our taxpayers. Again, we want to talk about the School District, but we also want to make sure that individuals who don't have kids in school are informed on what's happening. We have great systems for our families who have children in schools and in programming, but for other people within our communities, our outreach now will be through that quarterly mailing.

Director Pyan stated our website is sowashco.org/facility planning, so it's easy to remember. Council Member Khambata stated he appreciated that information.

Mayor Pro Tem Dennis thanked them again for being here to speak to the Council.

B. Public Works & Parks Open House Overview

Staff Recommendation: Receive information about the Public Works & Parks Open House.

Mayor Pro Tem Dennis stated Ryan Burfeind, Public Works Director, will provide a little bit of an overview on the Public Works & Parks Open House.

Director Burfeind stated our Public Works & Parks Open House is tomorrow night, September 21, from 3:00 to 7:00 p.m., at our Public Works facility, off West Point Douglas Road and the Jamaica Avenue roundabout; it is on the south side of Highway 61. This is something we do every other year. We invite the whole community, we open our facility, and we have all our different pieces of equipment out. You can see loaders and dump trucks, our paver, our graders, mowers, all our equipment. We also allow people to get in a loader, and children, with the assistance of our staff, can drive a loader and scoop into the bit sealcoat rock pile. There are lots of other fun things with vendors in our big truck bay. We'll also have facepainting, balloons, a bounce house, and we also do hayrides around the property. It's a really good time, the weather is going to be great tomorrow night, more like early August than late September, but it will be sunny and nice. He thanked all our staff, as this is a huge amount of work from Public Works and Parks & Rec to plan this event and get everything cleaned up. It's actually really great because it gives a good excuse to clean all of the equipment and clean all of our wash bays and the different equipment bays. He invited everyone to come down and get a hot dog with the family and have a good time.

Mayor Pro Tem Dennis stated he knows they always do a great job, as he's attended that a few times over the years. It's very well attended, and he thinks especially with tomorrow's weather, it will be good, and the hot dogs are amazing, too. He thanked everyone down there for all their hard work.

C. HERO Center Open House Overview

Staff Recommendation: Receive HERO Center Open House Overview.

Peter Koerner, Public Safety Director, kiddingly stated we're going to try to outdo the Public Works & Parks Open House; they'll have a phenomenal Open House tomorrow. Next week, Monday night, September 25, from 4:00 to 7:00 p.m., we'll have a HERO Center Open House. This is a joint Open House with the City of Woodbury because we're co-owners of the HERO Center. Last year, we did both, our Public Safety Department, and the HERO Center, and it really stretched people thin; so, this year, we're putting all efforts on the HERO Center.

There are a few events listed on our flyer, but what he thinks is really cool about our Open House is Dan Schoen, our Community Engagement Officer, has been working with a lot of our partners, so the BCA Mobile Crime Lab is coming, Washington County Mounted Patrol, our partners, Woodbury Police, and even the State Patrol Aviation and Minnesota Air Rescue Team. He thinks it will show the community all the different partnerships. We'd love to see the Council Members and community members there. He's hoping for good weather, just like Public Works & Parks is going to have tomorrow night.

Mayor Pro Tem Dennis stated hopefully the weather will cooperate. He noted that earlier this evening, we had a swearing in of some new police officers and firefighters.

Not only our organization, but also Woodbury does an excellent job of providing excellent service to all communities, with our mutual aid response. Having the HERO Center here and the advantages that that's brought to our community has been absolutely amazing; he knows it has saved us a lot of money in travel expense, etc., and it's great to have all those training opportunities right here in our back yard. We'll be looking forward to that. He thanked Director Koerner for speaking here tonight and told him to keep up the good work. Director Koerner stated he hopes to see everyone there, and thanked Mayor Pro Tem Dennis for his words.

7. CONSENT AGENDA

Mayor Pro Tem Dennis noted that with Item P, Kwik Trip Development-Escrow Agreement, we usually don't have speakers on Consent Agenda items, but a special guest is here tonight, Lisa Watson, the Real Estate Manager for Kwik Trip. Kwik Trip conducts business in six different states, and they're looking to bring an investment to the City of Cottage Grove. Gretchen Larson, our Economic Development Director, introduced Lisa. Mayor Pro Tem Dennis welcomed her to the City of Cottage Grove.

Lisa Watson thanked the Council and Cottage Grove team, as she's been working this opportunity since she joined Kwik Trip in April. We are very excited to come to this community, as it's the first Kwik Trip here; we have continued expansion throughout the Twin Cities and the six states. We have been fortunate enough to work with the Cottage Grove team. She displayed a prototype rendering of the Cottage Grove location; this is what we call a Gen 3 store, which is 9,200 square feet, which has:

- An expanded grocery area with an island for fruit and vegetables, expanded refrigerated section, an expanded pop, water, walk-in cooler, so you can buy 12 packs or larger that are already chilled for your own special events.
- There's a nice seating area for those people who want to be able to walk in and have a cool place to sit and eat their lunch, with 10-to-12 high-top and low-top seating areas to provide an additional site, and also some nice outside seating.
- There's a side diesel canopy that provides opportunities for larger trucks and RVs, so they're able to pull behind the building, to not interrupt the traffic flow under the gas canopies.
- There are dual stations on the five aisles, to handle a lot of traffic.
- A two-bay car wash, so there should be no backup of car wash lines at the facility.
- Care and effort taken in our landscape and design plans to ensure that we have technically a LEED-certified building; we control light pollution on our site, a building that she thinks far surpasses any other convenience store here.

We are excited to be a part of this community, and we significantly give back to our communities; during the grand opening process, we typically pick two organizations to which we give donations. We will be reaching out as to what those two organizations will be, maybe police, fire, or another significant organization in the community. We welcome this opportunity, and we're excited to be here. Thank you for having us.

Mayor Pro Tem Dennis thanked Lisa, said we've been anticipating partnership with Kwik Trip for years, and we know that you will be a great corporate partner and will do excellent things for the City of Cottage Grove.

Council Member Thiede stated just so there's no confusion, this will be a Kwik Trip because Kwik Star is what you're called in Iowa.

Lisa replied this was a rendering done for another state, and to clarify, the reason there is Kwik Star is because Quik Trip, with a Q, already has the naming rights in some of those other states. So, this is a Kwik Trip, but it's named Kwik Star.

We hope to have one of the biggest grand openings, so she asks the community to come out and support us when that happens. We'd love to be able to list you in our books as one of the best grand openings we've had.

Mayor Pro Tem Dennis told Council Member Thiede that was a great eye to pick that up out of the rendering. He asked Lisa to tell her executives and colleagues in LaCrosse that we look forward to this partnership and working together.

- A. Approve the August 16, 2023 City Council Regular Meeting Minutes.
- B. Authorize issuance of a Massage Therapist license to Sarah Joy Crandall.
- C. Approve the Gambling Premises Permit application for the Saint Thomas Academy Alumni Association to conduct gambling at Applebee's Grill & Bar at 8380 East Point Douglas Road.
- D. Approve the issuance of rental licenses to the properties in the attached table.
- E. Adopt Resolution 2023-126 reestablishing election precincts and adding an 8th polling location at Cottage Grove Elementary (7447 65th Street South) for the City of Cottage Grove, Minnesota, pursuant to Minnesota Statute Section 204B.14, Subd. 1, with a legally active date of December 1, 2023.
- F. Adopt Resolution 2023-117, updating the Personnel Policy.
- G. Accept the Certified Local Government Scholarship Grant in the amount of \$460 from the Minnesota Department of Administration State Historic Preservation Office.
- H. Authorizing executing agreement for professional services with Keith Streff as the Animal Appeal Hearing Officer.
- I. Hold the Public Hearing and adopt the assessment for the removal of weeds on private property.
- J. Approve revised budget amounts to purchase pickups approved with the 2023 City budget.
- K. Authorize Public Works to advertise and sell surplus property on Cranky Ape and Municibid.
- L. Authorize staff to place the order for certain equipment in the 2024 Equipment Replacement, Water, and River Oaks budgets.
- M. Adopt Resolution 2023-120 restricting parking on the south side of Hillside Trail from the crosswalk pavement markings at the intersection of Hillside Trail and 83rd Street to a point 50 feet west on Hillside Trail.

- N. Approve Resolution 2013-118 calling for a Public Hearing regarding the Establishment of a Street Reconstruction and Overlay Plan.
- O. 1) Adopt Resolution 2023-121 declaring the costs to be assessed for the 2023 Pavement Management Project. 2) Adopt Resolution 2023-124 calling for a Public Hearing to be held on October 18, 2023, for the 2023 Pavement Management Project.
- P. Approve the Escrow Agreement between the City and Kwik Trip Inc., for the preparation of the Public Improvement Plans necessary for development of Lot 1, Block 2 of Lake Flora 2nd Addition Plat with minor modifications by the City Attorney.

None of the Council Members wished to pull any Consent Agenda items for further comment and/or discussion.

Motion by Council Member Khambata to approve the Consent Agenda; second by Council Member Olsen. Motion carried: 4-0.

8. APPROVE DISBURSEMENTS

- A. Approve payments for the period of 9-06-2023 through 9-13-2023 in the amount of \$5,627,571.85.

Motion by Council Member Olsen to approve disbursements; second by Council Member Thiede. Motion carried: 4-0.

9. PUBLIC HEARINGS - None.

10. BID AWARDS - None.

11. REGULAR AGENDA - None.

12. COUNCIL COMMENTS AND REQUESTS

Council Member Khambata commended all of the fire and police personnel that we were able to swear in earlier this evening on their hard work and dedication. He wanted to give them a warm and official welcome to Cottage Grove.

Council Member Thiede agreed with Council Member Khambata's comment; he welcomed the newly sworn fire and police personnel to the family.

Council Member Olsen stated for those of you who may not be aware, there is a fundraising event this weekend at the Cottage Grove VFW for the Teddy's Heart Foundation. It's going to be a taco feed, and he knows that there will be all kinds of fun there for the whole family, so he encouraged everyone to mark their calendars and get out there to support a really, really great organization.

Council Member Olsen said thank you to all the Cottage Grove staff members, who worked so hard over the last few months to coordinate and organize this past Saturday's first Cottage Grove Food Truck Festival; it was sponsored by *Discover Cottage Grove*, which is our Convention and Visitors Bureau arm. He thought we really outdid ourselves, as for the first year doing this, the crowds were amazing. We had over 20 trucks that were onsite, two different bands, and there was a ton of energy in Kingston Park the whole day, from 11:00 a.m. to 6:00 p.m., when it ended; he thought some people even stayed longer. Our Cottage Grove Lions were present; we had our monthly Lions Club meeting last night, and the club was incredibly impressed with the way that things went. We are already talking about what we can do differently to make it better next year. Our Chair for this event said she'd like to do it again next year and had more ideas. He thought it was a really well received event by the community. He wants to make sure that all the people who worked on it, including administrative, economic development, public safety, and parks department personnel, everybody came together to make it a really special event for the community.

Mayor Pro Tem Dennis stated he has one announcement that does not come easily; it's an announcement that he would like to share with all his friends, his colleagues, our staff team, and the community at large. Serving our community has been one of the truly great honors of his life, and when he looks back on the time that we've been here together and the accomplishments that we've made, it's been absolutely incredible. He thought back over the course of the years of the involvement that he's had, including being on a commission, serving our Police Department, and being on the City Council for nine years. He has dedicated over 25% of his life here, so our next meeting, which is October 4, will be his final meeting. At this point, he's not going to say anything more about it, but he will have some statements to make at that meeting, but it's been an absolute pleasure and he appreciated every moment.

13. WORKSHOPS - OPEN TO PUBLIC - None.

14. WORKSHOPS - CLOSED TO PUBLIC - None.

15. ADJOURNMENT

Motion by Council Member Thiede, second by Council Member Khambata, to adjourn the meeting at 7:41 p.m. Motion carried: 4-0.

Minutes prepared by Judy Graf and reviewed by Tamara Anderson, City Clerk.