

MINUTES

COTTAGE GROVE CITY COUNCIL

December 6, 2023

COUNCIL CHAMBER
12800 RAVINE PARKWAY SOUTH

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 December 6, 2023, at Cottage Grove City Hall, 12800 Ravine Parkway. Mayor Bailey called the meeting to order at 7:00 p.m.

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 - Here; Council Member Garza - Here. Council Member Khambata - Here; Council Member Olsen - Here; Council Member Thiede - Here.

Also present: Jennifer Levitt, City Administrator; Amanda Johnson, Assistant City Attorney-LeVander, Gillen & Miller, PA; Tammy Anderson, City Clerk; Ryan Burfeind, Public Works Director; Zac Dockter, Parks and Rec Director; Pete Koerner, Public Safety Director; Brenda Malinowski, Finance Director; Amanda Meyer, City Engineer; Emily Schmitz, Community Development Director; Rick Redenius, Fire Chief; Jon Prichard, Deputy Fire Chief.

4. OPEN FORUM

Mayor Bailey opened the Open Forum.

Bonnie Matter, 6649 Inskip Avenue South, had a few questions about the Local Option Sales Tax, which is on the Consent Agenda. Council determined who they were going to work with on this, and that's great as it's about educating the public, not influencing. It's \$38,000, and if you're getting everything that it says you're getting, that's awesome; that includes the development, the design, the production, etc. She asked if that's

correct, that's all she wants to know. If it's not, what's an estimate for whatever it's going to take to implement that plan.

City Administrator Jennifer Levitt stated she thought it would probably be best if we had Ms. Matter speak with Zac Dockter, our Parks Director, who could go over the contract in more detail to answer those specific questions.

Ms. Matter stated she understood, but it was all spelled out, which Mayor Bailey agreed with, but it wasn't all spelled out, that's all.

Mayor Bailey stated just so the public's aware, on our Consent Agenda this evening we are looking at hiring a company that will get information to the public regarding a Local Option Sales Tax, which we will put before the voters next year, as it's an election year. The purpose of that is to look toward funding certain projects at parks in Cottage Grove: Mississippi Dunes Park, Hamlet Park, and River Oaks Golf Course. We interviewed a couple firms, and based on the feedback, it's a matter of saying the Council is recommending approval of hiring this particular firm. It won't be covering the amount of money that's going to be spent on the parks, as that will come from the sales tax.

Ms. Matter stated she wanted to make sure that the \$38,000 covers this campaign. Mayor Bailey stated he believes that's the answer, but he'll make sure that they know that for sure. Basically, what was in that printout, if you read through the packet, it's pretty impressive and very thorough.

Ms. Matter stated it's very impressive and everyone should go read this; it's very detailed, it's awesome.

Mayor Bailey stated that's why we chose them.

Ms. Matter stated the other thing is the University of Minnesota study; she wondered how she could access that. Mayor Bailey stated we can make sure you get that.

As no one else wished to address the Council, Mayor Bailey 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: 5-0.

6. PRESENTATIONS

- A. City Council Appointment - Monique Garza
Staff Recommendation: By motion, approve the appointment of Monique Garza as City Council Member and administer the Oath of Office.

Mayor Bailey stated tonight is the official appointment of our newest Council Member, chosen by the Council, Monique Garza. He asked Monique to join him in front of the dais, along with her family, and we'll administer the Oath of Office; he invited all of the Council Members to also join them.

Mayor Bailey asked Monique Garza to raise her right hand and repeat after him the Oath of Office, which she did, after which he congratulated her and welcomed her to the Council. Everyone applauded, and photographs were taken.

Mayor Bailey told Monique welcome aboard, we're excited to have you join the team; she replied thank you so much.

B. Recognition of Deputy Director of Public Safety/Fire Chief Rick Redenius Retirement

Staff Recommendation: Recognize Deputy Director of Public Safety/Fire Chief Rick Redenius' upcoming retirement.

Mayor Bailey stated it's both a sad and exciting day, as this is the recognition of our Deputy Director of Public Safety/Fire Chief Rick Redenius' retirement. Peter Koerner, Public Safety Director, will start this off. He once again asked the Council Members to join him in front of the dais with Rick to celebrate this milestone in his life with the City of Cottage Grove.

Director Koerner stated Rick is not done working for the City until the end of the month, but he didn't want to do this right before Christmas and take away from Rick's night. This is just the start of things, as there will be a retirement party later, but he wanted to recognize Chief Redenius tonight on his upcoming retirement. Rick has served in Public Safety since October 27, 1987, 34 years, as he took a two-year hiatus when he moved over to Eagan, but he quickly knew he needed to return to Cottage Grove. It is really a challenge to try to summarize 34 years in someone's Public Safety career, especially because Rick had two paths, the police side and the fire side. He'll try to do him justice, but Rick is a modest man, so the longer I talk the more uncomfortable he's going to be.

Director Koerner stated Rick has really been instrumental in providing the highest quality-based Fire and EMS services; he's always held himself to the highest standards, and that's always come back to the troops, who have always known his high expectations for service and even making sure vehicles are clean. That's Rick, he's always been a doer, and he wouldn't tell someone to do something that he wouldn't do. Since 1987, Rick has seen a lot of changes, as has Director Koerner, who joined the Police Department in 1992. Rick was initially a parttime firefighter, then a captain, and he's been a part of many of these changes, but he'll never take credit for it.

As we transitioned from a police officer paramedic program to a fire paramedic program, that was a huge undertaking; we went from just one-or-two fulltime firefighters to now a group of 15. He doesn't even know how to explain our duty crew model and all the changes, what shifts they work, going from 12 hours to 24 hours for some, that was a huge accomplishment.

Rick loves when we talk about the COVID response, as he was a part of that with our Emergency Management Team. Rick was a big part of the changes we've had in our fire halls with our service delivery and the beautiful Central Fire Station. Anytime Director Koerner brings up we should have done this, Rick replies, I asked for that; he's very passionate about that. Many of the leadership things he did, our aerial platform truck, are because Rick trusted a Truck Committee to come in and beg for the money

and do all the planning, but Rick knows trucks and all of the apparatus. So, how do you summarize his 34 years? You really can't.

As you know, Rick has Public Safety in his blood; Rick started his law enforcement career in 1993 with Silver Lake, then he went to Eagan from 1994-1999. Again, Rick is a townie, he grew up in Cottage Grove, and he wanted to come back here. So, he worked as a police officer in St. Paul Park until 2012, and then obviously, when he was hired here fulltime as the Fire Chief he left, but he didn't leave law enforcement. For five-or-six years he was with the Washington County Sheriff's Department's Water Patrol. He still can't give it up, as he still works as a police officer at the State Fair. So, Rick is what we needed in this community, he's committed.

Rick's family has also been committed, as his wife, Chris, was a longtime member of our Fire Auxiliary, now she's a member of the Public Safety Board. Director Koerner honestly thought Rick would be up here talking about him when he retires and Rick would still be here; but then his grandson arrived, and Rick's perspective in life really changed. Chris retired from her job, and he thought Rick was a little jealous seeing her having fun and also spending time with their grandchild. Rick's always been a part of the family, and Ashley grew up in the firehouse, so she had a lot of other uncles and aunts; he apologized to Ashley, stated he hoped we helped raise you correctly. He knows Ashley and Chris are both very proud of Rick.

Director Koerner noted that when Rick started, he had said that he wanted to "Leave this place a better place when I'm gone," and Rick is doing that. And Rick isn't going to be gone: We already have him committed to the Holiday Train Committee next year, and Chris is going to get him working at the food shelf, but Rick is leaving this place much better. He told Rick we'll really roast him at his retirement party, but for now, he asked him to step forward, as Mayor Bailey and the Council have a recognition plaque to present.

Mayor Bailey said what can we say; it's amazing to think of over 30 years in a Public Safety position. People don't stay in jobs that they don't like, people stay in jobs that touch their heart and affect families. In all of the years that Rick has been here, he's gotten to know him and his family. The fact is Rick truly cares about this community, and he will absolutely be missed. There are many current and former firefighters here tonight, and that's a testament to Rick; they're here to support him. He knows Rick doesn't like the limelight, but the fact is he has created a real positive impression within the community, both for the firefighters and the people in this room, but also for the numerous people that you've saved. You, the firefighters, the police officers, if you think about all of the incidents over the many years in Cottage Grove, you have been a part of saving lives. So, this is really a good thing for you from a retirement standpoint. At the same time, we want to make sure that we send you off with at least a small gift on behalf of himself, the Council, all of our staff, and the citizens of Cottage Grove. Actually, also citizens outside of Cottage Grove, too, as there were many times where you went to other communities with mutual aid responses, not to mention the work you've done in other communities during your career.

Mayor Bailey read aloud the plaque and presented it to Rick, at which time everyone applauded. He told Rick now it's his time to speak.

Chief Redenius thanked the Mayor and said this was very not needed. For him, this is something he's wanted to do since he was six years old, police and fire, and he got the chance to do it. This is going to be tough. He's got a very caring family that put up with this for that long, so he's very happy for that. His family in Fire and in the City have been very helpful, and he's very appreciative for all they've done, not only for him but for the department. We all work well together, and he thanks them for this, it's definitely not needed. Like Director Koerner said, I am a townie, as he is, and this is something that we just strive to do, and we don't do it for accolades, we just do it because it needs to get done. So, he appreciates it very much. Everyone applauded.

Chief Redenius' family stepped forward and photographs were taken with the Council. All of the firefighters present then stepped forward so photographs could be taken of the group, and everyone applauded again.

C. Heart Safe City Designation

Staff Recommendation: Receive a presentation regarding the designation of the Heart Safe City recognition.

Director Koerner said we got this Heart Safe City designation quicker than we ever imagined, so Deputy Chief Jon Pritchard will give a quick overview of the Heart Safe City Designation and our future goals.

Deputy Chief Pritchard stated this is another one of Chief Redenius' accomplishments under his tenure in our department and is fitting for all of his commitment to our community. He invited Emily and Craig Dowdle to step forward as we talk about this. The Dowdle family created Teddy's Heart, which really gave the soul to this Heart Safe City initiative. We started this initiative in February 2022; unfortunately, we lost Teddy in May 2022. That gave us the soul and motivation to move this forward in that record pace; it really is because of the Dowdle family, so they very much deserve to join in this recognition.

Deputy Chief Pritchard stated we joined dozens of other communities throughout the State of Minnesota to receive a designation as a Heart Safe City community. It really recognizes efforts to prepare our community to better respond to those who might have a sudden cardiac arrest, where their heart stops, and they require immediate care. The Minnesota Department of Health with the American Heart Association is who offers this designation. In order to get this designation, we get Heartbeats points to get that designation through an application. Points, or Heartbeats, are awarded by increasing community and public awareness, and placing AEDs wherever people live, work, and play. Thanks to the Dowdle family, we have these in our public parks. More recently, with the help of the Dowdle family, we're getting them placed through the Cottage Grove Athletic Association (CGAA), so now we're up to 9 or 10 parks that will have AEDs. A really big part of this is to teach people how to do CPR in case they were to ever encounter someone with cardiac arrest.

Thanks to the team here that's joining us, Chelsea Flores, Nick Arrigoni, and James Olson; they did a lot of work with this, as did all of the other people on the Fire Department who helped teach people CPR. That included over 2,000 people in our community who learned CPR in just a year and a half. It's really just amazing what our department did, along with our City and community, to get to this point. Rick can genuinely say it is a safer place to experience this life-altering event if someone were to have that in Cottage Grove.

Deputy Chief Pritchard stated we're not done yet, though. Our goal is to train over 4,000 people, so we're still going to continue to offer CPR, still get AEDs everywhere the public is, and continue to do classes. Van Meter, one of our largest Cottage Grove businesses, had us out to do training for them, the Cottage Grove Lions hosted a class for us, and just dozens of community groups and businesses that deserve so much thanks. We did training at Gardenworld today, so we trained over 25 people in CPR. It's just amazing the outpouring of support.

Again, he really wants to highlight the Dowdle family as Teddy's Heart is really the soul of this. He cannot thank them enough; he wished we would have never met, but this truly gave a name and a face to this, as Teddy Dowdle died at the age of 22 from sudden cardiac arrest here in Cottage Grove. We're doing all of this so we never have to meet another family under those same circumstances.

Mayor Bailey told the Dowdles he remembered when we met at Woodridge Park for the installation of the first AED. He believes there's a purpose to everything, even though some of those things that happen are tragic, but there's something really amazing that came out of that tragedy; frankly, that's the two of you with your son and all the work to get these AEDs into our community, getting us to the Heart Safe City designation. Having all of our firefighters participating to help make sure that what unfortunately happened to your son won't happen in the future. At some point in time, he cannot wait to get that call from our Public Safety Director, or one of the individuals here, who will say it's something that you helped do or they helped do that saved somebody's life. Whether that's in a park, one of our businesses, the Ice Arena, or wherever. He thanked them from the bottom of his heart and on behalf of the Council and everybody here. He knows everybody else here feels the work and the efforts that you've put in to make life better for others in this community, and other communities, too, as you've now expanded beyond Cottage Grove, which is amazing.

Council Member Olsen thanked Deputy Chief Pritchard for the presentation, and he thanked the Dowdle family for being a catalyst to help us achieve this designation. This is something we've talked about for a long time in the City of Cottage Grove. As mentioned, the effort that you have put forward, and your ability to connect with various groups, Lions Clubs, Athletic Associations, Public Safety teams in different communities, in order to ensure that the tragedy that you experienced isn't ever experienced again in our community is really powerful stuff. He took a moment to thank the Cottage Grove Fire Department because this isn't just a Teddy's Heart or Deputy Chief Pritchard or Chief Redenius initiative, this is the entire Fire Department. He's seen them at so many different City events, Fourth of July, or the installation event at Woodridge Park, Strawberry Fest, and so many others. He was lucky enough when our

Lions Club came into the Central Fire Station to be part of that. The entire team is really behind this, and he thinks that's why we achieved the goal so quickly because it isn't just one, two, or three people trying to lift this; this is a community lift, and our Fire Department is the tip of that spear because they're the ones who have that knowledge and experience to teach quick CPR and some basic lifesaving skills. He thinks they deserve a great deal of credit for really getting behind this, being committed, and helping us achieve this in partnership, of course, with all of the other folks already mentioned. He thanked them again, as this is a really prestigious honor, and it's pretty neat that it happened this quickly.

Deputy Chief Pritchard also thanked the Council, who supported us. A Council Meeting in February 2022 got us on this journey. He invited the City Council and firefighters to join them for a photo, and displayed the ceremonial Heart Safe Community sign, which will be put on signs in Cottage Grove.

7. CONSENT AGENDA

- A. Approve the November 1, 2023 City Council Regular Meeting Minutes.
- B. Approve the November 15, 2023 City Council Special Meeting Minutes.
- C. Approve the November 15, 2023 City Council Regular Meeting Minutes.
- D. Approve the single occasion gambling permit application for the Cottage Grove Strawberry Fest to conduct bingo at River Oaks Golf Course, 11099 Highway 61, Cottage Grove, on February 24, 2024, at 11:00 a.m.
- E. Authorize issuance of a temporary intoxicating liquor license to Cottage Grove Lions Club for the Dust 'em Off Vintage Snowmobile event held at the corner of 70th and Keats Avenue (farm address 10251 70th Street) on January 6, 2024.
- F. Adopt Resolution 2023-146 authorizing renewal of business licenses for 2024.
- G. Approve the issuance of rental licenses to the properties in the attached table.
- H. Approve the Agreement for Professional Services for Impound Housing Services 2024 between Animal Humane Society and City of Cottage Grove.
- I. Approve the lease agreements with SEMARC that will govern their use of preexisting equipment on or at the West Draw Water Tower, the Highlands Water Tower, and Cottage Grove Fire Station #3.
- J. Authorize staff to apply for the Minnesota Historical and Cultural Heritage Grants program in the amount of \$10,000 to be used for the creation and purchase of interpretive signs.
- K. Authorize staff to apply for the Minnesota Historical and Cultural Heritage Grants program in the amount of \$30,000 to be used for the creation of a Historic Context Study on the Suburban Expansion Era (1945-1990) in Cottage Grove.
- L. Approve the Cottage Grove Convention and Visitors Bureau 2024 budget.

- M. Adopt Resolution 2023-150, Revising the Investment Policy.
- N. Adopt Resolution 2023-151, Revising the Debt Management Policy.
- O. Approve Resolution 2023-148, Authorizing the deferral of a Special Assessment.
- P. Approve Resolution 2023-162, 2023 Budget Revisions.
- Q. Approve Resolution 2023-161, Accepting a donation from Pancentral CGC Holdings, LLC.
- R. Certify Delinquent Utility Accounts.
- S. Approve the 2023-2025 Capital Improvement Plan (CIP) and Adopt Resolution 2023-159 amending the Comprehensive Plan 2040 to incorporate the CIP.
- T. Adopt Resolution 2023-155 approving final payment to McNamara Contracting, Inc. for the Low Zone Water Main Extension Improvements Phase 1 & 2 Project.
- U. Approve service agreement with ICS for Local Option Sales Tax Community Relations and Education.
- V. Authorize service agreement with Power Play LT Farmington, Inc. for the purchase and installation of playground equipment at Nina's Park in the amount of \$91,695.10.
- W. Approve the Minnesota National Guard Armory Lease #23-338-002.

Council Member Olsen wished to pull Item I, Lease Agreement with the South East Metro Amateur Radio Club (SEMARC), and Mayor Bailey wished to pull Item J, MN Historical Society-Minnesota Historical and Cultural Heritage Grants, for further comment and/or discussion.

Council Member Olsen stated Item I is requesting that we approve the lease agreements with SEMARC that will govern their use of preexisting equipment on or at the West Draw water tower, the Highlands water tower, and Cottage Grove Fire Station #3. We're lucky enough to have a representative from SEMARC in the audience, David Bluhm. We are renewing lease agreements for what's called a repeater that goes on the various water towers; that repeater actually helps disseminate the signal from the amateur radio club so that when they are in a position where they need to communicate with others they have the wherewithal to do so, even if there are storms in the area or there's a tragic event that knocks out regular communications. SEMARC is actually a partner with our Public Safety team, both in the City and in Washington County; they're sort of the last line of defense as it relates to communication. They hold two training events, summer and winter, where they actually do training to make sure that: 1) Everything is operating correctly from an equipment perspective; 2) Their signal is reaching all of the various areas that it may need to reach should we have a communication issue where our regular radios are no longer functioning properly. When they have this training, they actually try to reach various points in North America, maybe in Canada or the southern United States. He's been there during some of the training where they've been able to communicate overseas, Europe or Australia, because they have such a powerful ability to disseminate that signal. They use tricks with clouds and

weather, etc. that he doesn't know about, but knows when he's been there it's pretty fascinating. They have their winter training day coming up here on January 27 and 28, 2024, and that will be at Fire Station #3, which is where they are housed, in Old Cottage Grove. He knows that they like to have curious people who are interested in what they do stop by and get an opportunity to ask some questions, see how the equipment works, etc. He wanted to make Council and the public aware of those upcoming training dates. These are very unsung heroes, but they are vital in terms of our ability to continue to communicate effectively should the worst happen, and that's what they train for. He thanked David from SEMARC for being here tonight. He asked that his Council colleagues approve Item I as part of our Consent calendar. Mayor Bailey also thanked SEMARC for their service to our community.

Mayor Bailey stated Item J is to approve staff to apply for a Minnesota Historical and Cultural Heritage Grant for \$10,000. This will help create some interpretive signs for different locations of historical significance around the City of Cottage Grove. He knows we have a desire at some point in time with historic preservation to do something with interpretive signs, maybe artwork, for Military Road. We've seen some designs of some of that, so he's posing it as a thought process if there might be that opportunity for us; whether it's through a grant like this, once we get going on that historic trail, as that used to be the connection from Military Road to Fort Snelling through Cottage Grove. He's very excited, and he assumes the Council will be happy with moving forward on this grant proposal.

Motion by Council Member Thiede to approve the Consent Agenda; second by Council Member Khambata. Motion carried: 5-0.

8. APPROVE DISBURSEMENTS

- A. Approve payments for the period of 11-09-2023 through 11-29-2023 in the amount of \$3,007,604.19.

Motion by Council Member Khambata to approve disbursements; second by Council Member Olsen. Motion carried: 5-0.

9. PUBLIC HEARINGS

- A. Lake Flora 2nd Addition - Final Plat, Regional Pond Purchase Agreement, Temporary Drainage Easement, Compost Site Agreement
Staff Recommendation: 1) Hold the public hearing and Adopt Resolution 2023-149 for vacation of easements as outlined in the Partial and Full Vacation Exhibit dated November 1, 2023. 2) Adopt Resolution 2023-156 approving the Final Plat to be called Lake Flora Second Addition. 3) Adopt Resolution 2023-157 approving the Termination of Purchase Agreement with Glendenning Farms, L.P., Joan Glendenning Kennedy Family Limited Partnership. 4) Adopt Resolution 2023-158 approving the Purchase

Agreement with Glendenning Farms, L.P., Joan Glendenning Kennedy Family Limited Partnership and WAG Farms, Inc. 5) Approve the Temporary Drainage and Utility Easement over Lot 1, Block 2, Lake Flora Second Addition Plat. 6) Approve the agreement with Rumpca Companies, LLC. 7) Approve Memorandum of Understanding between the City and Glendenning Farms, L.P., Joan Kennedy Glendenning Family Limited Partnership, and WAG Farms, Inc. for Lot 2, Block 1 and right of entry over Outlots A and C.

Emily Schmitz, Community Development Director, stated this particular area is located just north of 100th Street and east of Jamaica Avenue, and it's about 69 acres. There are several actions to be taken this evening, and this is a unique project in our Business Park.

Historically, the City's EDA has worked with the property owner and coordinated a lot of the sales of properties within the Business Park. WAG Farms and the majority of the area of the Business Park to the west have been a part of those processes. Coordination with the property owner and the City's EDA, as we work with them to broker the deals for the end users of these properties; those include Renewal by Andersen, Hohenstein's was the most recent at the corner of Jamaica and 95th. This particular area will be just the same as we work with the property owner to plat the property and create some developable parcels.

Before we can plat the property, there are quite a few what staff calls paper easements throughout the plat area, as well as adjacent to this. Many times those paper easements kind of come over time, when we need them to cover areas that we need access to, whether it's for drainage, sometimes it's Right-of-Way. So, there are many hatched lines on this image before you, but this is the best way to encompass all of those paper easements that we've dug up as we try to clean up the platted area.

So, now that we're platting this particular area, those paper easements are no longer needed, specifically, for the Right-of-Ways adjacent to Jamaica, 95th, and 100th Street. Ultimately, that's the public hearing this evening is to vacate those easements.

Director Schmitz stated with the Final Plat, there are a couple different things happening here. One thing is the City is purchasing four of the Outlots that we're platting on this entire Final Plat. She outlined those in yellow to give a visual representation. It's important to note that we're also creating several developable parcels as a part of this plat. As most of Council is aware, we have a Purchase Agreement with Kwik Trip, and that is on Lot 1, Block 2, so we're creating that shovel-ready site for them. Block 2, Lot 1 is also creating a development-ready site, and Ryan Companies still has that Purchase Agreement; so, of course, we're hopeful that they find an end user to move forward. Technically, it's the north of the site, but there's another potentially developable site, at such time a user is interested. Finally, we're vacating some of those paper easements because as part of this plat we're establishing and platting the appropriate Right-of-Way adjacent to Jamaica Avenue and 100th Street.

Director Schmitz stated regarding Langdon Pond 3, the purpose of purchasing those additional Outlots is to be able to expand that. So, we have a Surface Water

Management Plan, and this particular area is important because it catches a very large amount of water throughout the community and stores it. It's an area for flood storage at such time we have large rain events, but it also helps as the water flows down to the Mississippi River. With that being said, as a part of that plan, and as a part of being involved in these wonderfully unique opportunities within our City's Business Park, in accordance with the EDA and the property owners, we're able to acquire the additional acres that we need to expand that pond to meet the goal of that Surface Water Management Plan. So, we'll purchase those.

It's also important to note as a part of this land purchase, there is also a need for some material to be moved out of those Outlots to make it a pond to hold that water whenever it's necessary. There is that additional material, so, we'll continue to work with Kwik Trip's Purchase Agreement and Ryan Companies, as some of those sites need additional material to help them be buildable and developable. So, we'll certainly work with them as those projects continue to move along. We don't need the material and they do; so, it's a wonderful partnership there.

The final component of this entire project is the Compost Site, on Jamaica, just across from the old Fire Station, which lies right on the site on which Kwik Trip has a Purchase Agreement. So, we needed to find them a new home. In the process, we're shifting those folks just to the east, onto the Outlot that the City will own, was our best solution at this time. That will ensure that their activities can continue, and that agreement will be with the City and Rumpca Companies to allow them to continue to operate, and take all of our yard waste, leaves, branches, etc. We'll continue moving forward there.

Community Development Director Schmitz said there a number of recommendations before Council this evening. She's more than happy to answer any questions and provide some details.

Mayor Bailey asked if he was correct that this is almost the last of the parcels, per se, that we're working on with the Glendenning Company.

Administrator Levitt replied this plat encompasses the final parcels that we have that agreement with the WAG Trust; it also cleans up and provides for the WAG Farms Dog Park, for which we have a lease until December 31, 2026. So, all of this puts a lot of things into motion and really creates a lot of win-win situations for everyone as part of this.

Mayor Bailey stated with the words win-win, one of the things that we've heard and of which Council is very aware is that this community wants a Kwik Trip; so, the opportunity is for Kwik Trip to come here. When it was announced they were coming here and where they were going, then there was a concern about the Compost Site being removed. So, for the public, we listened and worked with Glendenning as well as Rumpca and everybody involved, and the intent is we're basically moving or shifting the Compost Site a little further south and east. So, that's one good thing; the Compost Site will continue to operate in close proximity to where it is today. He said the second thing is we have a lease agreement with the property that's being used as our Dog Park. At some point in time, there's probably going to be a necessity for us to look at purchasing

that property; or, as he suggested to our staff, there may be some grant opportunities to help fund that, similar to what we've done with some of our park properties. Grant funding could possibly help with that purchase vs. "levying" it onto the taxpayer. He thought cleaning all of this up, creating technically three shovel-ready sites, a dedicated spot where the Dog Park is, and we get to keep the Compost Site. So, in his opinion, this truly is a win-win for everybody.

Mayor Bailey opened the public hearing.

Bonnie Matter, 6649 Inskip Avenue South, stated she doesn't have any problem really with any of this, but she had some questions: 1) How much additional water is coming in or going to be stored or handled in this new pond. 2) Where exactly does it exit into the Mississippi River, it goes underneath 100th, but where does it exit into the Mississippi River.

Ryan Burfeind, Public Works Director, stated from the pond perspective, there is no additional water going there today, but we know we continue to develop, so our Surface Water Management Plan looks out many, many years. We have an agreement with 3M as well that we need to control that flow under 100th Street that goes onto their property, and this accomplishes all of that. It's been in our planning documents for many, many years, decades even, to do this. So, this is just the next step of that; so, we want to be proactive and if we have that win-win, like Director Schmitz mentioned, to remove that dirt, let's do it now so we can do it in a cost-effective manner. So, no new water today with this development and this platting, but it would just be planning for the future. The water does go underneath 100th Street right now, and then there's kind of a long wetland natural area that just flows all the way down to the river, across 3M property. It kind of comes out right by the Metropolitan Council sewer treatment plant under the railroad tracks.

As no one else wished to speak on this item, Mayor Bailey closed the public hearing.

Motion by Council Member Khambata to Adopt Resolution 2023-156 approving the Final Plat to be called Lake Flora Second Addition; second by Council Member Olsen. Motion carried: 5-0.

Motion by Council Member Olsen to Adopt Resolution 2023-157 approving the Termination of Purchase Agreement with Glendenning Farms, L.P., Joan Glendenning Kennedy Family Limited Partnership; second by Council Member Khambata. Motion carried: 5-0.

Motion by Council Member Thiede to Adopt 2023-158 approving the Purchase Agreement with Glendenning Farms, L.P., Joan Glendenning Kennedy Family Limited Partnership, and WAG Farms, Inc.; second by Council Member Garza. Motion carried: 5-0.

Motion by Council Member Garza to Approve the Temporary Drainage and Utility Easement over Lot 1, Block 2, Lake Flora Second Addition Plat; second by Council Member Thiede. Motion carried: 5-0.

Motion by Council Member Khambata to approve the agreement with Rumpca Companies, LLC; second by Council Member Olsen. Motion carried: 5-0.

Motion by Council Member Olsen to approve Memorandum of Understanding between the City and Glendenning Farms, L.P., Joan Glendenning Kennedy Family Limited Partnership, and WAG Farms, Inc. for Lot 2, Block 1 and right of entry over Outlots A and C; second by Council Member Khambata. Motion carried: 5-0.

Motion by Council Member Thiede to Adopt Resolution 2023-149 for vacation of easements as outlined in the Partial and Full Vacation Exhibit dated November 1, 2023; second by Council Member Garza. Motion carried: 5-0.

10. BID AWARDS

- A. Utility and Engineering Building Bid Award
Staff Recommendation: 1) Adopt Resolution 2023-154 awarding the contracts for the Utilities and Engineering Building, approving the Guaranteed Maximum Price Contract with Kraus-Anderson, and assigning certain contracts to Kraus-Anderson. 2) Adopt Resolution 2023-163 declaring the official intent of the City of Cottage Grove to reimburse certain expenditures from the proceeds of bonds to be issued by the City with respect to the Cottage Grove Utilities building.

Director Burfeind stated on Tuesday, November 21, we took bids on our Utility and Engineering Building. Similar to other building projects in town, like the Glacial Valley Park building, this is a Construction Manager At-Risk Contract model; so, we have Kraus-Anderson (KA) under contract to do that effort, and they take all the bids for this project. There are 22 different divisions, things like roofing, site utilities, mechanical, etc. There were 107 bids in total that we took across those 22 divisions. The total value of all the low bids was \$9,427,817, and that was under our Construction Manager's bid estimate of \$10.2 million; we were happy to see that it was about 7% under, which is definitely a good place to be with the market. This included one bid Alternate for the heated sidewalk; quite often, we have put those as an alternate. It is something that we definitely like to have, as it greatly reduces wintertime maintenance and liability with the main public sidewalk entry coming from the parking lot into the building; that was just over \$44,000. As we got favorable bids, we included that in the recommendation tonight for the award.

There were 15 contracts, some union contractors assigned to KA, but similar to other buildings if there are non-union low bidders, the City has to hold those contracts; there were seven in this case that the City would hold. From a construction perspective, it really all happens the same, as KA manages the whole project. We don't directly

manage those seven contractors, we just have to hold the contracts because they are non-union, and KA is a union contractor. That's very similar to past projects; he thought Glacial Valley Park probably had four or so non-union contracts.

Director Burfeind said there were two recommendations for the Council tonight, and he'd stand for any questions.

Council Member Khambata stated he's noticing a trend where our bids are coming in lower than our Construction Manager's estimates. This is in stark contrast to where we were about 18 months ago when those bids were higher than the estimates. So, that's encouraging. As we move into the upcoming year and additional projects come to bid, is there any way to take advantage of that trend and kind of bid early for future jobs, or is this just kind of like a one time type of instance.

Director Burfeind told Council Member Khambata that he's right, in several cases we have received good bids this year, bids inline with our Engineer and Construction Manager estimates. Part of that is just starting to understand this market that we live in, but part of it, too, is things have started to stabilize. A year or two years ago, things were coming up so fast, we couldn't anticipate that. In terms of when we bid, there's definitely different times when we do that. For buildings, we quite often bid this time of year just as we go into the construction season for that type of project, and as they order things like our Tilt-Up panels that take so long to get. For street and utility projects, those we generally like to bid no earlier than February; that's just because actually the way those contractors operate, a lot are kind of laid off in the winter, and they aren't really doing a lot of that work, they're closing out past year projects. We do want to hit earlier in that timeframe, February-March, not April-May, but there is kind of best times of year to do different types of work.

Mayor Bailey stated Council Member Olsen mentioned that John McNamara with KA is in the audience; we've worked with John on many projects over the years, so we're very confident in their ability and his leadership on making sure this project comes in under budget and on time.

Motion by Council Member Khambata to Adopt Resolution 2023-154 awarding the contracts for the Utilities and Engineering Building, approving the Guaranteed Maximum Price Contract with Kraus-Anderson, and assigning certain contracts to Kraus-Anderson; second by Council Member Olsen. Motion carried: 5-0.

Motion by Council Member Garza to Adopt Resolution 2023-163 declaring the official intent of the City of Cottage Grove to reimburse certain expenditures from the proceeds of bonds to be issued by the City with respect to the Cottage Grove Utilities building; second by Council Member Thiede. Motion carried: 5-0.

11. REGULAR AGENDA

A. Tobacco Compliance Check Violation - Hy-Vee

Staff Recommendation: 1) Allow the business representative for Hy-Vee an opportunity to respond to the City Council regarding the tobacco compliance check violation occurring November 7, 2023. 2) Impose the scheduled penalty for the 1st violation in a 36-month period, a \$300 fine.

Director Koerner stated we strive for 100% on our compliance checks, and we've been doing pretty well. Council is well aware of the procedures, and Director Koerner's memo was pretty detailed. On November 7, 2023, we conducted compliance checks with all of our businesses holding tobacco licenses; this time we had a failure at Hy-Vee, at the gas station, Fast & Fresh. This is the business's first violation in a 36-month period. There are samples in the memo of how driver's licenses look for those under age 21 and those over age 21.

Also included in the Council packet was the police report. We had two decoys, one was an 18-year-old female and the other was a 20-year-old female; we're not sending in an 18-year-old who looks like they're 38, they look like they're in their late teens. The decoys went to the counter and a transaction was completed. The decoys asked for JUUL, which is the e-cigarette containing nicotine. The employee did not ask their age but asked for an identification; it was actually a manager in the store who asked the employee to check both identifications, but the employee only checked one. The employee looked at the identification, scanned, and told the decoy, "Good to go." The employee told officers that he thought the decoy was born in 2022; obviously, if you read the report, his stories changed a little bit. The employee then said the scan of the identification showed that she was of age. The employee admitted that something popped up on the screen, and he pressed okay. Basically, he overrode the transaction, so he just clicked and made the transaction. The employee was instructed he'd be getting a citation, and a court date would be sent. The manager was there, so officers spoke with the manager and explained that the employee failed the tobacco compliance check. Hy-Vee was sent a letter with the details.

Director Koerner stated tonight we're asking Council to give the business an opportunity to speak if they're here. After that, we're asking Council impose the scheduled penalty for the first violation in a 36-month period of a \$300 fine.

Mayor Bailey asked if there was a representative from Hy-Vee present and there was. Mayor Bailey asked if he wanted to speak and she did. He asked him to state his name and address for the record, the store address is fine.

Matthew Egan, 7280 East Point Douglas Road South, stated the employee in question made a mistake by scanning the identification before he scanned the product, so it didn't tell him that there was a problem. Since it didn't do that after he scanned the product, he mistakenly just entered in a random birthdate. In response to this, he was reprimanded, and we instituted a retraining of all of the employees so they understand that they have to scan the identification after they scan the product so that they're told whether or not the customer is under age or not.

Mayor Bailey stated that they'd already implemented a retraining of the employees; Mr. Egan replied that's correct.

Council Member Thiede stated with the product that scans the identification, he asked were there some things already scanned. He wouldn't think that if a product hadn't been scanned, that it would bring up some sort of notification, that there were no products in the basket, or something when he scanned the identification.

Mr. Egan stated something similar happened, as we went to our IT Department to get the keystrokes of what actually had happened. It gave him an error, but not that anyone was underage. He simply just didn't understand what the error meant. So, that's what wound up happening.

Mayor Bailey thanked Mr. Egan for coming in tonight.

Motion by Council Member Olsen to impose the scheduled penalty for the 1st violation in a 36-month period, a \$300 fine; second by Council Member Thiede. Mayor Bailey gave kudos to all of the other businesses in town that passed their tobacco compliance check. Our goal is to continue to educate and support our businesses, just making sure that we're following the processes with both tobacco and alcohol. Motion carried: 5-0.

- B. Liquor Compliance Check Violation - Walmart
Staff Recommendation: 1) Allow the business representative for Walmart, Inc. DBA Walmart #2448, an opportunity to respond to the City Council regarding the alcohol compliance check violation occurring November 6, 2023. 2) If the representative admits to the violation or fails to attend, impose the scheduled penalty for the 1st violation in a 24-month period, a \$500 fine and one-day suspension, or, at the City Council's discretion, in lieu of the suspension and fine, the participation of employees in an educational program approved by the Public Safety Director within 90 days. If a representative denies the violation, schedule a contested case hearing before an administrative law judge.

Director Koerner stated this violation occurred on November 6, 2023, at the Cottage Grove Walmart, 9300 East Point Douglas Road, and this is the business' first violation in a 24-month period. The police report was included in the Council packet for the record.

The compliance check was conducted on November 6, 2023, at 5:08 p.m. Officers Mulvihill and Officer Foster conducted the compliance check. In this case, we had two decoys, an 18-year-old male and a 20-year-old female. They went into the liquor store, the male grabbed a six-pack of Cayman Jack, brought it to the counter, the employee did not ask for age or identification, and completed the sale. When the officers went into Walmart, the clerk admitted that he did not ask for age or ask for identification. The clerk was told he'd receive a citation with a pending court date. The store manager was also advised of the compliance failure. If you read the police report, there was even more detail where the employee said they sure seemed like they knew what they were doing or looked like drinkers. They walked back, grabbed it, came up, and so there was really

nothing questioned on that. Director Koerner stated this could be a gross misdemeanor charge under State Statute; our department for the last 20 years has always looked at these violations as more educational, and we issue a citation for the misdemeanor violation under our City Code. Most of the businesses end up sanctioning their employees, so, there are other things that go with that. We'll allow a Walmart employee to speak tonight.

Director Koerner stated our recommendation with the penalties always seem to be a little more confusing, but remember with alcohol, we have another option where they can do the educational part in lieu of suspension, or Council can recommend both.

Mayor Bailey asked if a representative from Walmart was here and if he wanted to speak. Mayor Bailey asked him to give their name and store address for the record.

Silvio Martins, the store manager of the Walmart in Cottage Grove, 9300 East Point Douglas Road. He thought everything that was said was correct, and we're not disputing any of that. The associate had the technology in front of him to make the proper decision. He was fully trained and just like it was explained, he made the decision to not follow protocol; that associate no longer works for him and his store, as we take this absolutely seriously. We retrained all of the associates immediately, even though everybody was certified and trained and should be able to handle that, he thought that a refresher was very important to go through; so, we had every single one of them go through and sign that they understood all of the expectations, which are very simple. They just follow the prompts and check for the identification, and everything else is accurate.

Mayor Bailey asked if there was a process out there where before you can sell something you have to scan an identification. Mr. Martins replied no, it's his understanding in a few businesses or certain areas of the country it's required that you scan, but he's never heard of having to scan identification first. Mayor Bailey said he was just curious; Mr. Martins said no, not in his business, at least.

Mayor Bailey noted Mr. Martins held up a sheet, and they're obviously going back through and redoing training. Mr. Martins said every associate was trained. Mayor Bailey asked if they did that on a periodic basis; Mr. Martins replied they have mandatory training for all of the associates on a quarterly basis, and we just started a new quarter a few weeks ago. On top of that, we just went over it again since that associate was trained and still committed that violation.

Mayor Bailey asked Mr. Martins if there was anything else he wanted to add, but he replied no. Mayor Bailey thanked him for speaking.

Mayor Bailey stated what Director Koerner mentioned is there is the ability to waive the one-day suspension in lieu of the employees participation in an education program provided by Public Safety. There would still be a \$500 fine. Obviously, the former associate still has to deal with the misdemeanor citation. It's up to the Council to decide and make a motion.

Council Member Thiede confirmed the one-day suspension is just for the liquor store at Walmart, not the entire store; Mayor Bailey stated that's correct.

Council Member Khambata stated given that there's not been another violation in the last 24-month period, he'd be in favor of waiving the one-day suspension. However, tying it to the condition that the employees get training, and it sounds like they have a robust process in place. We know that the human factor is always going to be the human factor. He asked if there was a lot of value, from a City standpoint, of requiring that additional educational component; he stated Director Koerner is the one who's obviously directly dealing with the businesses. If we go that route, is it going to have the desired effect, hopefully setting them up for success so they don't have a failure next time. He's in favor of that as long as it's going to achieve the outcome, that they'll not continue, whether intentional or not, to sell to minors.

Mayor Bailey stated Director Koerner can speak to this, too. We're not against the manager doing his current training, but he thought on top of it, he thought it would be best to have another layer of training because then we know that the training has been done through our processes. He thought that was the only reason when we discussed this in the past; many times, as we've just heard, everybody goes through this training, but the fact of the matter is unfortunately some employees skip steps or don't do what they're supposed to do. He just thinks the more that you can put that message out there, then we know, and heaven forbid there be another future issue, that we actually went in and did the training. So, that's his personal opinion, and he thinks that's what the Council had discussed a couple years back as why we wanted to do that in lieu of, if necessary, any day of suspension.

Council Member Olsen asked Director Koerner when Walmart was last before us; Director Koerner replied November 22, 2019. Council Member Olsen stated so, in a four-year period of time, they've had two violations. He asked Director Koerner in his view as Public Safety Director, if he felt their educational program and training was adequate. He knows that we have several other establishments in the City, and he doesn't ever recall them violating the compliance check, they passed every single time.

Director Koerner stated he thinks there's great value in any kind of educational program. Obviously, Washington County Public Health puts on a class that gets sent out when we do the license renewals. He's never worked in retail, he can only imagine the larger companies trying to train people. He thinks we have more success with some of the smaller businesses, with four employees, as they'll come in an hour early for training; in a large business, such as Walmart, that's not feasible. He's a fan of the different programs employers use. We've looked at many of them Walmart and some of our larger businesses have used, and it's the same that we provide to them. The nice thing with those is it provides us tracking; at least when some of these larger companies pay others for training, he thinks the important thing is to make sure that they have a policy in place when they onboard them. If violations continue to occur, it's really frustrating for Public Safety when they have Point-of-Sale systems set up and they still fail. He thinks that's why we still write the citation because that employee still faces their consequences. Different programs are good; that companies keep stressing this to their

employees when they start, to make sure things are done correctly, it's the culture of the business, too.

Council Member Olsen stated the second part of that conversation is what's going to have the most effective impact relative to future behavior; because, really, that's the purpose behind the citation, it's the purpose behind the ordinance, we want to change behavior. He knows that retraining is a really powerful tool, but he also thinks suspending somebody's license for a day is a really powerful tool, it certainly sends a message. He's curious if Kori Land, our City Attorney, has any thoughts, in terms of whatever decision we make tonight, how that applies to potentially future issues of this nature and us being consistent in the way that we deliver a verdict, so to speak, when something like this occurs.

Attorney Land replied obviously every fact pattern is different, so we can always find reasons why you think it's important to impose certain conditions or not others. When there has been a prior violation, but it has been a few years, this is obviously a very large part of their business, they have a lot of volume, and it's a pretty large store. So, you have to take that into account when you look at the overall picture of how many violations they've had, as there are compliance checks twice a year. So, in this case, she thinks you can take that into account, that they have passed all of the other compliance checks, they do have a very large volume and a very large customer base; the fact that this is the second violation in four years may or may not be significant, but it is certainly a factor that you can take into account. She stated that's kind of a wishy-washy answer, but you need to weigh it all.

Council Member Olsen stated it does help in terms of recognizing that different businesses have different business patterns, they have different levels of volume. He's a retail person, as is the Mayor, so we certainly recognize that there are times when you train, train, and train again, and all it takes is five minutes in somebody's bad day to have a problem. So, that was very helpful.

Council Member Thiede stated he believes that the technology is available, especially in the liquor store. We all know that it's been hard to get employees, and some of the employees that you get maybe aren't as reliable as you'd like. Actually put some of that technology in a liquor store where possibly it wouldn't even ring up the sale unless an identification was scanned or something like that. So, really take a look at how do you foolproof that process. He made that comment because possibly for a manager in a large store like that, maybe the justification is there to look further into that.

Motion by Council Member Olsen to take the path forward of using the training opportunity as the approach to help our friends at Walmart improve their performance with this, in lieu of the \$500 fine and one-day suspension, of course that training would be training that is approved by Public Safety Director Koerner.

Mayor Bailey stated he believed that the \$500 fine would still hold, but the one-day suspension would not, in lieu of training.

Council Member Olsen stated the way that the recommendation reads is in lieu of the suspension and fine, the participation of employees in an educational program approved by the Public Safety Director within 90 days. Director Koerner apologized,

stated the recommendation in the packet should not waive the \$500 fine but the recommendation is correct on the screen.

Motion by Council Member Olsen to say that we would impose the \$500 fine and then in lieu of suspension, the employees would participate in a training program; second by Council Member Khambata. Motion carried: 5-0.

- C. Property Tax Levy Payable in 2024 and Adoption of 2024 Budget
Staff Recommendation: Adopt Resolution 2023-152, Adopting the 2023 Property Tax Levy Collectible in 2024 and Adopt Resolution 2023-153, Adopting the 2024 Budget.

Mayor Bailey stated Brenda Malinowski, Finance Director, is here to finalize what we've been doing for many months, which is adopting the property tax levy payable in 2024 and adoption of the 2024 budget.

Director Malinowski stated we've been working on this budget for many months; in fact, since January, so we've got 12 months in on this process as of tonight. As you can see, the City Council takes this very seriously. Our department leaders, our City Administrator, and our City staff all work in collaboration on our budget document and our property tax levy each year. We had many meetings and many workshops to look at the process. On September 6, Council approved the levy that is in front of you this evening as a preliminary levy. We certified it to Washington County, and they used that levy to prepare Proposed Property Tax Notices for all our taxpayers; those were mailed in November. On that notice, taxpayers received notice that we would be talking about the budget and the levy this evening; so, that's where we are tonight. We can take some budget comments, and then you're asked to make a consideration on adopting the final levy and budget. Once that is certified, that property tax levy will be sent to Washington County, and they'll use it to prepare the 2024 Tax Notices.

Our budget for 2024 accomplishes many things, but we are providing the same exceptional level of services to our community that we have in the past, including but not limited to: Police services, fire services, streets services, snowplowing services, and parks and recreation services. We're able to deliver those same exceptional services in 2024 with this budget and levy.

We have stewardship of our capital assets, and we're demonstrating that in the budget. We're replacing the capital equipment that needs to be replaced, we evaluate those every year. We are using our Capital Improvement Plan (CIP) and our Financial Management Plan (FMP) that we prepared earlier this year through that process.

Our City Tax Rate is what is used on an individual homeowner basis or a commercial property basis to determine what they'll pay in City property taxes next year. There are two components of it: The first component in determining the City Tax Rate is our property tax levy. For 2024, it is proposed to be about \$23.1 million, an increase of about 11.99%. However, the second part of the equation in determining our City property tax rate is our Tax Capacity. Because we're a growing community and we're bringing on some new construction for next year, that Tax Capacity is increasing by

about 19.3%. Because that Tax Capacity is increasing by a higher percentage than our levy, our City Tax Rate for 2024 will fall; it will be at 32.728%. We use that, then, on each individual homeowner or business to determine what they'll pay in City property taxes.

Director Malinowski stated a little bit about that Property Tax Levy; we're at \$23,125,600, and noted some specific details on that:

- Public Safety/City Hall Loan: There is an increase on that line item, about \$50,000; that's actually not only for the loan but to start doing some maintenance on our buildings that we've not levied for in the past. We need to start that as part of our FMP.

- EDA Levy: Had last been increased in 2017, so, we need to increase that also.

- Equipment Levy: Previously included in our General Fund, but we're moving it down to another line item for more transparency throughout the budget process.

- Debt Levy: Pavement Management Program is the biggest portion of that; so, redoing our streets in our residential neighborhoods. We have both the 2023 Pavement Management project that we're adding onto the levy, and then we did a refinance of some debt back in 2021. As part of that refinancing, the levy for 2023 was lower, but then there was a scheduled increase in 2024; so, that was anticipated and expected.

- Starting to levy for the Glacial Valley Park Building that we built this year.

- We're starting to do debt for East Point Douglas Road projects; it's a two-year project, and last year, Jamaica was funded with our MSA Fund, and a portion of East Point Douglas will be funded with debt levy.

Director Malinowski stated one of the components is our General Fund, and that is included in our Property Tax Levy. Our General Fund is \$25,152,640 for 2024. We call our General Fund our Chief Operating Budget for the City of Cottage Grove. So, it funds things such as police services, fire services, snowplowing, parks and recreation; when we provide those services, we typically don't send a bill. So, when we go on a fire call, we're not giving a bill to the resident as we respond. We have to generate revenue somehow, so we generate that through property taxes. On our revenue portion, 74% of our budget are property taxes that fund those services. On the expenditure side, when we provide those services, we're sending the police officer out or the firefighter out, and so it makes sense that 69% of our budget pays for personnel services. We're in the people business, we provide those services through our people. This is typical of other communities throughout the country and in Minnesota.

She gave a little bit more detail on our General Fund revenue; we have a revenue increase of about 8.96% for 2024. However, the property tax increase is only 5.82%. We've been able to do that because we've identified some other revenue streams in the budget process:

- Public Safety Aid: One-time money from the State; it's on a per capita basis for all communities in Minnesota. We'll receive about \$1.73 million, and we are utilizing it in our next three budget cycles. For 2024, we'll be hiring two police officers, three firefighter-paramedics, using it for parttime firefighter wages, and then some IT capital expenses related to Public Safety.

- Local Government Aid (LGA): We hadn't received that for the last couple of years. The State legislature kind of tweaked the formula a little bit, and so, we're getting a slight

amount, \$54,000 in that. Just to note, our license and permit fees are down; we budget conservatively here, so, we're down about 4.48% in the budget. We're expecting that building activity may stay light for next year, but to offset that, we're keeping one building inspector position vacant in the budget for 2024, with the thought that we'll bring that back in 2025.

On the expenditure side, we have a balanced budget; what that means is we've got revenues that equal our expenditures. We're not taking out of our cash, we're not using our Fund Balance, we're not using our other reserves. So, it's an expenditure increase of the same amount, 8.96%.

It's important to note that our union contracts and bargaining contracts were settled for 2024 at 3%, and that's what's included in the budget. We have several new positions; we talked about the Public Safety positions. The other positions (Management Analyst, IT Technician, Recreation Coordinator, Utility Accounting Technician, Public Service Worker) are not funded by the property taxes but by other funds in the City, other revenue streams.

We have a new weather Warning Siren that's included in the budget at the 9500 block of Military.

As we worked through the FMP earlier in the year, there was a discussion on a budget contingency for things that could happen throughout the year that we're not anticipating. That could be a storm event or some other event, and it also helps us maintain our Fund Balance Policy at the end of the year. So, we're starting to budget for that with this budget document.

Director Malinowski stated this slide shows our median home in Cottage Grove, with the impact of the levy and the budget that's in front of Council tonight, and what that median home will realize in property taxes for 2024. The median home in Cottage Grove is \$363,000; that's set by the Washington County Assessor's Office. It increased in value by 9.2%. For 2024, at that property tax rate of 32.728%, they would pay \$1,173.07 in property taxes. It's an annual increase of \$71, or 19 cents per day.

She noted we don't only look at the median home, we look at other properties in the community, so there are four other properties that we track. Those are shown on the screen. Those four properties increased in value, per the Assessor's Office, between 6.49% and 12.68%. So those four properties fell in that range; with those four properties and the median home, based on the levy in front of Council, the average tax impact on those five properties is \$97. Our FMP that we did earlier in the year identified that we needed an increase of about \$100 a year to fund our pavement management program, our streets program, fund our capital needs, our operating needs, etc. So, we're within that FMP amount.

Director Malinowski stated we also like to compare how we're doing to other communities. So, for other cities in Washington County, based on their median home and based on their preliminary levy, you'll see, just like last year, Cottage Grove is the second lowest in Washington County. So, we are able to provide exceptional services to our residents at a very low property tax amount. The only city that is lower than Cottage

Grove is St. Paul Park, and they receive a significant amount of LGA. So, we compare very favorably when we look at other cities.

Finally, last year we also started to look at other growing communities in the metro, those with a population of over 40,000. Just like last year, we are the third lowest when we look at the surrounding communities. Only Blaine and Shakopee are below us; so, again, we compare very favorably for what we are able to offer to our community. Shakopee has some significant tax base for commercial and industrial, which pulls them down, and Blaine is very close to where we are at.

What do your City taxes pay for? So, if that median home instead of sending their property tax payment to Washington County, if they sent a check to the City of Cottage Grove on a monthly basis, they would send us \$97.76 per month. In turn, we would use:

- \$41.27 to fund Public Safety (police and fire services)
- \$13.35 to fund Public Works (streets and snowplowing services)
- \$12.83 to fund General Government/Community Development
- \$10.40 to fund Parks and Recreation
- \$16.58 to fund Debt Services (past pavement management programs, and City buildings debt: Central Fire Station, HERO Center, etc.)
- \$1.35 to fund our Capital Outlay (replacing our squads, plow trucks, fire equipment, etc.)
- \$1.16 to fund our EDA Levy
- .82 to fund the Council Contingency

So, it's great value here, a daily cost of about \$3.21 per day.

Director Malinowski stated there are some property tax relief programs at the State, the website link is: <http://www.revenue.state.mn.us/property-tax-refund>

Department of Revenue Property Tax Refund Division phone number: 651-296-3781

There are three property tax relief programs: Regular Credit Refund, Special Property Tax Refund, and Senior Citizen Property Tax Deferral Program. She's worked with a couple residents this year on those programs, so they can absolutely call City Hall, and Director Malinowski will walk them through those. The programs are income based so she can help them determine if they're qualified and is happy to do that.

She stated watch for your 2024 Valuation Notices from Washington County; those should arrive in March or April, 2024. If you have a question about what your property is being valued at, that's the time to go to the Board of Appeal hearings.

Director Malinowski stated she would be happy to answer any questions.

Mayor Bailey thanked Director Malinowski, especially for her showing the two reports that show where Cottage Grove sits in Washington County and also with cities with a population of over 40,000, which we categorize as growing cities. The Council, and especially Council Member Thiede, always wants to make sure that we're down at the bottom of that list.

Council Member Olsen congratulated Director Malinowski and her team for the ability to manage the budget as tightly as they do. When you look at the documents about where Cottage Grove stands versus our peer cities in Washington County and versus our peers in the metro, it's pretty clear that our staff here at City Hall definitely do a very nice job of maintaining the public trust and being very careful with public funds.

Regarding LGA from the State, people might not know what that means; LGA is a formula that is utilized by the State legislature to help support communities that may have a variety of different components as part of their community culture. One may be aging infrastructure or their tax capacity vs. their size, etc. Within that formula, the legislature looks at who really should be eligible for LGA and who has the ability to sort of manage their budget on their own without any State help. As mentioned, for the first time in a long time, Cottage Grove got a little bit of LGA. We're grateful for the legislature putting us on the list; \$54,000 isn't a lot, but it's more than we've received in the past, so, we'll certainly take it. When you compare with some of these other communities, he thinks it's important to note that for many of these communities, in some cases over half their budget is LGA; in other words, it comes from the State. So, when they are able to produce a levy amount that might be a little bit less than what we have, that's generally the reason why. Or, as was mentioned with Shakopee, they get a big fiscal disparities budget, etc. For anybody who's interested in actually reading more about or looking into that, you can go to the League of Minnesota Cities website, and they have all sorts of charts and graphs. He sometimes just looks at where we compare to other communities and what some of the moving parts are. It just says, again, that we have a really strong, robust, careful planning program when it comes to our budget. Let's not forget that that process led us to a AAA Bond Rating this year; that AAA Bond Rating is going to help us with managing our debt more effectively, etc.

Council Member Olsen stated kudos all around, really good job, he loves the numbers, thank you for sharing this with us. He continues to be just amazed at what great service we provide at such a low cost in the City of Cottage Grove.

Council Member Thiede said we have a fantastic staff, it's a fantastic City to live in, we've got a lot of very good amenities and value. He thinks one of the very good things in having a financial background and education, the FMP and trying to plan that and keep it consistent is good. He has a challenge for the City because as you look at the FMP, unfortunately, even though we have it at \$100, the first two years are above that. He saw it adjusted down a little bit from what we were looking at before to get that \$100 average over 10 years, the last few years are lower than \$100. He challenges us to really take a look at that and historically keep it at that average of \$100; because it's more than likely, he's hoping he doesn't see that \$100 that we start having in 2025 doesn't all of a sudden creep up, with lower numbers now than 10 years later, in 2033 and 2034. He can see that as very easily happening. If we look then at the 10 years of our FMP, which we said we were going to be at \$100, all of a sudden we see that it's consistently over that \$100, yet we can still say the average going out 10 years was under \$100, if you kind of know what he means. So, he's got that challenge out there. There are a lot of different balls to balance and a lot of different things that go on, but

let's really dig into this FMP and really, really live it and show that we really are working at and managing it at \$100 a year and looking at some of that historical.

Motion by Council Member Olsen to Adopt Resolution 2023-152, Adopting the 2023 Property Tax Levy Collectible in 2024; second by Council Member Khambata.
Motion carried: 5-0.

Motion by Council Member Khambata Adopt Resolution 2023-153, adopting the 2024 Budget; second by Council Member Garza. Motion carried: 5-0.

Mayor Bailey gave kudos to our staff and continuing to manage the dollars in the City; we take that very seriously, and all of us up here are taxpayers ourselves, so whatever we do from a City perspective, it obviously affects all of us, and frankly many of our staff members who live here in the community.

12. COUNCIL COMMENTS AND REQUESTS

Council Member Khambata thanked all of our City staff for their hard work and dedication. The City runs as smoothly as it does because of them, every single person has a part of that.

Council Member Khambata preemptively thanked all of the volunteers who will be helping out with all of the many events in December, including the Holiday Train, food drives, etc. There's a list, but this isn't the whole list, he's sure. As a community, we step up and volunteer and are willing to help make this community special. So, thank you to everyone.

Council Member Olsen congratulated our newest Council Member, Council Member Monique Garza. It's really great to have her here with us this evening at the Council dais, he was excited for her swearing in, clearly her family was very excited as well. He has all the confidence in the world that she will be a great addition to the Cottage Grove City Council. The work that she's already done in the community with so many different things, including the Movies in the Park, or Movies with Mo, as she likes to call it, and with the Women in Business Group through the Chamber, etc. She's definitely demonstrated a lot of care and concern and commitment to the City of Cottage Grove. That's what this job requires; there's a lot to it, but he knows she's up to the challenge, so welcome. Council Member Garza thanked him.

Council Member Olsen thanked the staff for their response to something that he commented on at a previous Council Meeting. We had spoken about the Holiday Train, and one of the things he had asked was if staff would take the time to go and visit with some of the local businesses where we had some parking challenges last year. It sounds like that's been taken care of, on numerous fronts, and all of our business partners in the community are just as excited as we are. They're well informed, they know that we are going to potentially have some parking in their lots, and he believes

there's also been some signage that's been created at Public Works. So, it's definitely been a phenomenal response, and he thinks that will make the Holiday Train on Sunday that much more special because people will be able to find places to park. They'll have the opportunity to get down by the Youth Service Bureau a little early, etc. He'll leave more comments to Mayor Bailey, as he knows it's a very important event for him.

Council Member Olsen gave a pat on the back to everybody who had a hand in our Hometown Holiday Celebration. He thought this year's event was just marvelous. Driving in to City Hall and seeing all the trees lit up, like we did that evening, and then again tonight, it really does put you in the spirit of the holiday season. The food trucks were a wonderful addition. We had an area for people to sit in a heated tent, so many different other things that were here, it expanded from last year. It was our second year, and it was definitely bigger than our first year, no questions asked, and then he's certain that there were some things we learned that we'll apply to next year. Again, a pat on the back for all involved, as he knows it was a heavy lift. There were a lot of people who did a lot of work to make that event work out well. It was a lot of fun, and he thought the community really appreciated it.

Council Member Thiede stated he thought we had to thank Mother Nature, too, because this year was a lot warmer than last year, which was downright chilly; Mayor Bailey said let's just say cold.

Council Member Garza said thank you for the opportunity to serve the community. She's so looking forward to it, she's looking forward to working with everyone. Thank you so much.

Mayor Bailey stated Council Member Olsen mentioned the Hometown Holiday Celebration. He thanked our staff, all of the different departments obviously worked together to create that neat environment out there. We had record crowds from what we've had in the past, and it was a nice evening temperature wise, but we'll take those when we get them.

Mayor Bailey said as was alluded to a little bit earlier, we have the Canadian Pacific-Kansas City (CP-KC) Holiday Train, which is pulling into town here on Sunday, December 10. The festivities actually start down there by the Youth Service Bureau at 3:00 p.m., the train will arrive about 5:00 p.m. or so. The purpose of this, other than the great celebration and fun that we have in the community and the beautiful train, is it's a fundraising opportunity for our local Friends in Need Food Shelf. He shared that we had an update this morning: The target that we've been shooting for this year is \$100,000, and as of this morning, they're already over \$90,000. So, that's fantastic support within our community from individuals and businesses. He absolutely encouraged everybody to come down, the weather is supposed to be nice on Sunday, and we are expecting record crowds. CP-KC Rail has mentioned to him that absolutely their most favorite stop is the Cottage Grove stop because we do more with it than just have them show up, people come down to look at the train, hear the music, and leave. They literally bring

staff members and executives here to Cottage Grove to check it out. He said kudos to our community and nearby communities for supporting those in need at this time of year with the Friends in Need Food Shelf. He knows that they're also collecting toys, too.

Mayor Bailey said Council Member Khambata had commented about all of the many things going on. There's also the Holiday Home Lights Tour, a map is available on our City website, or you can link to it through Facebook. So, everyone can check out what's going on.

Mayor Bailey said our Breakfast with Santa on Sunday morning, December 10, at River Oaks Golf Course is already completely sold out.

Mayor Bailey said we just had a great event down at the VFW with the Lions Club for their Santa Breakfast, and that was amazing, too. Yes, he attends both Santa breakfasts with the grandkids because he just has to.

Council Member Olsen said we had the biggest crowd we're ever had, it was really fun. Mayor Bailey stated yes, it was pretty impressive.

Mayor Bailey stated those who know him know he's a huge hockey fan, so tomorrow evening, Thursday, December 7, at the Cottage Grove Ice Arena, is the Park High School vs. East Ridge High School boys hockey game. So, it's going to be crazy busy because obviously there's a friendly wager with a particular Council Member in Woodbury for some doughnuts, depending on which team wins. The Woodbury Council Member had to pay us last year because Park won the game. Mayor Bailey stated he's had the opportunity to attend two of the games so far, and Park looks like they have a really good team this year with a new coach. So, he's looking forward to that tomorrow evening. Hopefully, at a future Council Meeting, a Woodbury Council Member will once again be bringing us some doughnuts.

Mayor Bailey stated there is a Workshop tonight that is closed to the public; the purpose of the workshop is to do a yearly performance evaluation of our City Administrator, Jennifer Levitt. We will be closing the meeting pursuant to Minnesota Statute 13D.05, Subd. (3)c to conduct a performance evaluation of City Administrator Jennifer Levitt. That will take place in the conference room.

Mayor Bailey said he hopes to see everybody at the Holiday Train on Sunday.

13. WORKSHOPS - OPEN TO PUBLIC - None.

14. WORKSHOPS - CLOSED TO PUBLIC

- A. Performance Evaluation - Jennifer Levitt, City Administrator
Staff Recommendation: Close the pursuant to MN Statute 13D.05, Subd. (3)a, to conduct a performance evaluation of City Administrator Jennifer Levitt.

15. ADJOURNMENT

Motion by Council Member Olsen, second by Council Member Thiede, to adjourn the meeting at 10:25 p.m. Motion carried: 5-0.

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