



MEMORANDUM

TO: Jennifer Levitt, City Administrator, City of Cottage Grove
FROM: Chad Weinstein and James Fischer, Ethical Leaders in Action
DATE: January 12, 2024
RE: Outcomes from 2024 City Leadership Retreat

Introduction

This year's annual leadership retreat for the Cottage Grove City Council and senior staff was held on January 6, 2024 at Glacial Valley Park. Our objectives for the retreat were to:

- Help the council with a new interim member to gel as an effective team for policy-making and governance. This included updating shared commitments and discussing the respective roles of mayor, councilmembers, and staff leaders in serving the City.
- Inform elected officials of the "next big things" coming to the City, from the professional perspectives of staff leaders.
- Help elected and appointed officials to achieve a shared vision with respect to key development-related topics.
- Identify and recommend incremental updates to the current strategic plan.

A closing exercise allowed each participant to share their final thoughts for the day.

This document is respectfully submitted as our final deliverable in this engagement. It is intended to document the outcomes and to capture the spirit and content of spontaneous input from the retreat. It includes:

- Notes from the "Sources of Pride, Accomplishments, and Hopes" and related exercises.
- Discussion of the "Next Big Things" generated in the morning exercises.
- Council Commitments and Guidelines for Staff/Council interaction.
- Work on the shared vision for development related projects.
- Recommendations regarding the strategic plan.

Each is described as presented below.

Module-Specific Notes

The first module was an opening exercise which invited participants, both Council and staff, to complete cards that noted key reasons for pride in Cottage Grove, notable accomplishments in 2023, and hopes for the City in the future. Here are the results of that exercise:

Reason for Pride are that:

- We have a well-managed city.
- We have an involved community that remains engaged in public matters.
- Members of the Community and the city staff work well together.
- There is collaboration between city departments.
- We have great recreational options with an amazing park system that is well maintained.
- We are the only city impacted by PFAS to provide fully treated water in 2024.
- We have acquired land along the Mississippi River for a park reserve.

- We have a well-grounded diverse community with excellent basic services at fairly reasonable costs.
- We earned a Triple A bond rating.
- We have a Police Department that is proactive and intertwined with the community.
- We have a public safety department (police & fire) that has strong community engagement.

Notable accomplishments in 2023 include:

- We broke ground on the first permanent water treatment plant.
- We completed phase I of the Jamaica Road and East Point Douglas Road project.
- We increased customer service by providing online permitting, an updated zoning code, and a streamlined inspection process.
- We developed a new communications team.
- We have managed to recover from the civil unrest of 2021 and the disruption of the COVID era.
- We earned a Triple A bond rating.
- We have established a 10-year budgeting guide.
- We developed a dedicated funding source for public works.
- We recovered from fraud.

Hopes for the future are that:

- The Local Option Sales Tax referendum passes.
- Expanding industrial businesses generate more jobs for local residents.
- Cottage Gove remains a lower cost option to Woodbury.
- The city staff continues to grow its culture of ownership for the city.
- City government continues to maintain trust from the public in our water by being transparent and continuing to communicate all of the work we do.
- We maintain our unique history and small-town character.
- We develop a community center with pool.
- We begin construction of the Shoppes at Cottage View.
- The City Council and Staff continue their progressive and forward thinking.
- Strong department coordination continues.
- The City Council and Mayor continue to function well.
- The staff remains stable with less turnover of personnel.
- There is the creation of a more comprehensive communications plan.
- We continue our clear but adaptable vision for the future.

The second module of the retreat built on the first; at the request of Council, each department head prepared a brief summary of accomplishments of the past year, and several “big ideas” that they saw influencing the future of their respective departments. The slide deck and Council packet for the meeting together provide an excellent record of that information as it was presented; the primary objective of the exercise was to inform Council, while engaging them in discussion on the relevant topics. In addition, the following ideas arose from Council’s reflection on the achievements and big ideas:

There was considerable interest in exploring how public art could bring community members together, while creating meaningful public amenities and a potential tourist destination. A key success factor will be the community involvement around the concept development as well as execution of any concepts. This will be the topic of a future work session.

Many of the big ideas centered on using new or available technology to improve operations and opportunities within the City. While all recognize the potential of new tech, there was concern about the practicality; upgrades need to prove that they will save time and money to justify the expense. It may be wise to not jump too soon on to new tech, but better to wait until the price comes down.

A Resident Academy or similar program has the potential to engage a diverse set of residents to become more involved in city government and civic life. Ideas included being mindful of the level of commitment required to participate (less may be more, in terms of sessions) and recording sessions for future broadcast or other sharing. Not pursuing at this time. A related bit of advice: recognize civic volunteers on a regular basis in newsletters, online videos, etc. This, too, will raise the profile of civic engagement.

A number of ideas were shared concerning stimulating more affordable single-family housing using current housing stock. These comments also relate to the later discussion of LAHA funds.

- We support a program of low-interest loans for expanding housing.
- Standardized housing construction might lend itself to more cost-effective future expansion.
- Consider changes to ordinances concerning auxiliary housing units (AHUs).
- The city could partner with the private sector by engaging lenders and contractors to offer lower-cost loans and discounts on projects based on a volume-based discount, a subsidy, or some other incentive. Lender partnerships might also provide lower cost financing for home maintenance projects.
- Even with new single-family construction, incentives could encourage developers to offer less costly products on lots that might already command a lower price.
- Consider down payment assistance for first-time homebuyers.

Code enforcement could be expanded to maintain or improve the appearance of residential and commercial zones. A current limiting factor is a single employee dedicated to code enforcement. Ideas:

- Use a route-based approach for rapid reviews of potential problem properties. For example, there are 14 plow routes that collectively cover the entire city.
- Consider returning to using CSOs to perform code enforcement. One challenge in the past has been maintaining consistency in enforcement. This could be addressed through training and oversight.

There is a great deal of interest in developing CG's assets as a trail hub/trail node for existing and new nature trails, as well as better exploiting its location on Highway 61, e.g. for motorcycle tourists.

The third module was a values-clarification exercise, which led into a check-in discussion on council team dynamics. Every member of the Council had *Community* (a group of people with a common background or characteristic or with shared interests) as one of their top five values. After a very constructive discussion, Council members affirmed their former commitments to one another, first created in 2022, and discussed the unique role of the mayor relative to council. All elected officials expressed enthusiasm for the newly constituted council and their willingness to work together in service to the City.

Following are the shared commitments that council members affirmed will guide their interactions with one another. These are substantially the same as those adopted in recent years.

As elected officials we will:

- *Engage in critical discussion to make policy. This does not reflect a lack of trust, but a commitment to our oaths and our fiduciary duties.*
- *Disagree respectfully and constructively.*
- *Be direct with one another, and never operate behind one another's backs.*
- *Listen to other ideas, and acknowledge the good ideas of those with whom we disagree.*
- *Appreciate the passion and service of our colleagues.*
- *Strive always to support and never to embarrass staff members.*
- *Clear the air when necessary.*
- *Remember that when an issue is done, it is done.*

Elected officials discussed what constitutes effective collaboration with staff, which they also regard as a key strength of the City. Staff leaders convened before the retreat to frame a proposed update to the principles that should govern council-staff interactions. Following lunch, Staff and Council agreed to adopt these guidelines:

To support excellent teamwork and cooperation between Council and Staff, Staff commits to the following principles:

1. *In all respects, the Staff's goal is to help the Council succeed in governing the City and serving the community. Together we assure that the community continues to thrive.*
2. *Staff is committed to helping the Council to demonstrate their leadership, stewardship, and integrity to the community.*
3. *Staff will provide detailed, thorough, and comprehensive staff reports to ensure that Council has all the necessary information to make informed decisions.*
4. *Staff will work to ensure that presentations at Council meetings and in workshops are clear and understandable, and they articulate all relevant options for Council's consideration.*
5. *Staff is committed to presenting thoughtful, honest, and unfiltered professional opinions and recommendations to all Councilmembers.*
6. *Staff is committed to providing timely responses to questions and data requests to all Councilmembers.*
7. *When staff responds to any Councilmember via email, our agreed-upon protocol will be to copy the Mayor and City Administrator on this correspondence.*
8. *Staff is expected to provide preparatory materials to Council in a timely manner. Councilmembers are expected to read the materials provided in preparing for Council meetings and workshops.*
9. *Staff asks that Council members pose questions as far in advance of Council meetings as possible, and avoid posing "surprise" questions in Council meetings.*
10. *Staff will honor the Council's time and policy positions.*

The fourth module consisted of discussions of development-related matters, aimed at obtaining specific council input. Council discussion led to the following guidance on these topics:

Housing and Development - The discussion of housing trends focused in part on lifecycle related issues, from a shortage of affordable childcare to (especially) the fact that older residents are leaving CG for downsized housing options, with and without supportive services. An upcoming analysis by Maxfield

will provide much greater data-driven insights on these topics, which can guide policy around thoughtful development.

The City should spend the State-allocated Local Affordable Housing Aid (LAHA) funds by creating and funding a trust fund. Staff will confirm that using the county to administer such a trust will not result in undue overhead costs to the City. The intent will be to grow this fund over time so that it can one day serve to stimulate affordable housing developments. In the meantime, the funds should be used for low-interest loans to stimulate improvements in Cottage Grove's affordable housing inventory, e.g. to support the maintenance or expansion of existing properties for qualified residents (thereby preserving or expanding "Naturally Occurring Affordable Housing," or NOAH).

The City might also consider whether relationships with lenders and/or contractors (e.g., programs that offer discounts due to the volume from multiple homeowners) might help qualified affordable housing owners to maintain their properties. Such a program might especially benefit homeowners who struggle to meet code.

Shoppes at Cottage View and 3M Land Development - The development of lands that 3M intends to sell across the highway from the site referred to as "Shoppes at Cottage View" may require the City to choose between prioritizing one or the other project. An upcoming meeting with the developer holding an option on the Shoppes at Cottage View may provide additional insights.

At this point, Council discussion acknowledged that some tough choices may be required, and that the 3M land may be developed more quickly at a lower cost due to topography and other factors. Ways to invest in the Cottageview site to make it more appealing to future developers were also discussed. Any 3M plans must also be approved by 3M, and the Cottage View landowner and currently interested developer are also relevant stakeholders.

Local Option Sales Tax for Parks and Recreation Projects - As a proposal for Local Option Sales Tax (LOST) is being developed, three related projects were considered, located at Mississippi Dunes, Hamlet Park, and River Oaks. Council members noted the probable breadth of appeal for Hamlet Park improvements, and the potential for a really impressive new asset at Mississippi Dunes. River Oaks project should focus on broadening the appeal – the features and community benefits – of that property beyond golf and the current clubhouse. This latter project may prove the most challenging in terms of community interest.

In the final module of the retreat, staff proposed an incremental update to the City's strategic plan, including its mission statement. The new mission statement appealed to all elected officials, who also agreed with the substance of the updates to both the pillars and the strategic directions, including the action steps. Council provided feedback to simplify the verbal and graphic presentation of the strategy, which staff will undertake with assistance from the facilitators.

Conclusion

To conclude the retreat, each participant shared what they learned. Members of Council observed that

- the shared priority of values and alignment of team help the city to run effectively.
- they are thankful for a great staff whose work is reflected in the outcomes.
- the city has gone from good to great thanks to the outstanding collaboration.
- it is noticeable that quality of life is enhanced by quality government.
- we should continue to do what we are doing; love for the community shows and residents appreciate what the City is doing.

The retreat was officially adjourned at 4:05 PM.