

MINUTES

COTTAGE GROVE CITY COUNCIL

COUNCIL CHAMBER
12800 RAVINE PARKWAY SOUTH

March 20, 2024

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 March 20, 2024, 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-Absent; Council Member Khambata-Here; Council Member Olsen-Here; Council Member Thiede-Here.

Also present: Jennifer Levitt, City Administrator; Tammy Anderson, City Clerk; Ryan Burfeind, Public Works Director; Zac Dockter, Parks and Recreation Director; Pete Koerner, Public Safety Director; Korine Land, City Attorney-LeVander, Gillen & Miller, PA; Amanda Meyer, City Engineer; Mike Mroska, Senior Planner; Brad Peterson, Captain.

4. OPEN FORUM

Mayor Bailey opened the Open Forum. As no one wished to address the Council, Mayor Bailey closed the Open Forum.

5. ADOPTION OF AGENDA

Mayor Bailey stated before we adopt the Council Agenda, I would like to remove Item 6A, which is the Beyond the Yellow Ribbon presentation, and add Item 14A, which is the Friends of Grey Cloud Litigation Workshop, which will be a Closed Workshop. That workshop is closed pursuant to Minnesota Statute 13D.05, Subd. 3(b) for Attorney-

Client Privileged Communication to discuss the Friends of Grey Cloud litigation. This meeting will be held in the St. Croix Room here at City Hall.

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

6. PRESENTATIONS - None.

7. CONSENT AGENDA

- A. Approve the February 21, 2024 City Council Regular Meeting Minutes.
- B. Approve the February 21, 2024 City Council Special Meeting Minutes.
- C. Approve the February 12, 2024 Parks, Recreation, and Natural Resources Meeting Minutes.
- D. Approve the issuance of rental licenses to the properties listed in the attached table.
- E. Adopt Resolution 2024-044, approving the Joint Powers Agreement providing for the remote monitoring of Outdoor Warning Siren Equipment.
- F. Approve the agreement with TargetSolutions Learning, LLC.
- G. Receive the 2024 fuel pricing under State Contract Number 242575.
- H. Adopt Resolution 2024-046 awarding the Citywide Stump Grinding Project to Haaven's Stump Removal for \$3.50 per inch and authorize execution of the Agreement for Contractor Services.
- I. Adopt Resolution 2024-045 awarding the Streetlight Wire Replacement Project to Killmer Electric for the amount of \$93,900, and authorize the agreement for contracted services.
- J. Approve Statewide Health Improvement Partnerships Grant Agreement for \$23,000, to be used towards the implementation of the Meadowgrass Park Community Garden.
- K. Authorize a Service Agreement with Musco Sports Lighting, LLC for the installation of a sports lighting system at Woodridge Park in the amount of \$89,000.
- L. Authorize the Service Agreement with MN Native Landscapes for open space native vegetation management for the amount of \$6,660.
- M. Adopt Resolution 2024-025 approving the plans and specifications and establishing an April 18, 2024 bid date for the Low Zone Treatment Plant and Public Works Utility/Engineering Building Fiberoptic Cable Project.
- N. Approve the amended deferred assessment waiver agreements for parcels owned by Zywiec's as part of the South District Street & Utility Improvement Project.
- O. Adopt Resolution 2024-047 rescinding Resolution 2024-030 and approving the Final Plat for Graymont Village Second Addition and the Development Agreement with U.S. Home, LLC and DRP MN 1, LLC.

Council Member Khambata wished to pull Item D, Rental License Approvals, on the Consent Agenda for a separate vote.

Motion by Council Member Thiede to approve the Consent Agenda except for Item D; second by Council Member Khambata. Motion carried: 4-0.

Mayor Bailey asked Council Member Khambata for the reason he is pulling Item D for a separate vote; Council Member Khambata stated it's because he has a rental license that needs Council's approval, so he will abstain from that vote.

Motion by Council Member Olsen to approve Item D on the Consent Agenda; second by Council Member Thiede. Motion carried: 3-0.

8. APPROVE DISBURSEMENTS

- A. Approve payments for the period of 2-29-2024 through 3-14-2024 in the amount of \$1,463,085.81.

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

9. PUBLIC HEARINGS

- A. 2024 Pavement Management - Hold Public Hearing and Order Project
Staff Recommendation: Adopt Resolution 2024-050 ordering the 2024 Pavement Management Project.

Mayor Bailey read a statement: As you all know, the City held a Public Hearing on the 2024 Pavement Management Project on February 7, 2024 and ordered the project. However, it was later discovered that there was an inadvertent error in the Published Notice for that hearing; so, to be in complete compliance with the Notice Requirements in State law, we are repeating the Public Hearing tonight. Nothing has changed with the project or with the preliminary assessments. Tonight's Public Hearing was properly noticed in the official newspaper and written notices were provided to all property owners in the project area. The City staff's explanation of the project, documents and testimony that was presented on February 7, 2024 is hereby admitted to the record. All public comments made during the Public Hearing at the February 7, 2024 meeting are also hereby entered in the record. So, if you spoke at the February 7, 2024 meeting, your comments are preserved and you do not need to repeat your comments tonight; however, even if you did testify on February 7, anyone is welcome today to come to the podium and testify when we have the open part to the public meeting. I would like you to understand that this is not the time to object to the assessment; this is the time to object to the project. If you want the Council to vote no on the project, you may voice your position accordingly. If the Council votes no, then your road will not be improved and will continue to deteriorate. At this point, the assessment amount you received for your

property is preliminary in nature, but the statutory process requires the City to provide you with this estimate at this time. There will be another Public Hearing a few months from now when the Council will consider the actual assessment amounts. You will be given notice of that hearing and you will have the opportunity to object at that time in person or again in writing. At this hearing, the only item under consideration by the Council is whether or not they should order the project.

Amanda Meyer, City Engineer, stated as mentioned, I am not going to run through the entire presentation that we went through in early February, as that is being entered into the record. There are two recommendations before you with this item, and I will just reiterate this is for the Prestige Estates neighborhood, so, north of 80th Street, west of Keats Avenue. I do have the previous presentation from February if we need to go back to anything for questions. I'm here for questions, and I will leave the recommendations before you.

Mayor Bailey asked Council if they had any questions for staff:

Council Member Olsen stated one of the items that was commented on the last time we talked about this issue was the differences between various communities and the way in which they manage their assessment policies. Since that time, I've done a little bit of homework to better understand what some of our surrounding communities do; but I wanted to have one of you talk a little bit about what we do here in the City of Cottage Grove because there are definitely variables to the way in which assessments are managed community by community.

Engineer Meyer stated quite a few years ago, staff put together our Infrastructure Maintenance Task Force and came up with our Special Benefit Assessment Policy. It has been revised a couple of times in the last couple of years, but ultimately that document is what's guiding us for what Cottage Grove is assessing for and how those assessments are done. As we look at residential properties, it is one residential buildable lot equivalent; some cities do front footage or by acreage, but we look at every residential property as just one unit. Based on our policy, it is 45% of the Total Project Cost assessed against those benefitting properties. There's discussion in that policy regarding what's considered assessable work and those sorts of things. Does that answer your question?

Council Member Olsen replied it does, and I appreciate the fact that you brought up the percentage because that seems to be, at least in my studies of other communities, where the variables are. I don't pretend to know what their policymakers are using to ultimately determine how they want to move forward with their assessment policies, but here in the City of Cottage Grove, based on what you said, 55% of every road project that gets done is actually paid for by the general taxpayer. The properties that are listed under the Special Benefit Appraisal, they share that 45% of the assessable. So, they're certainly not paying 100%, they're not even paying half of what the project cost is. I know that you mentioned that there was a Task Force that came together several years ago, and I recall when that happened. I also recall that there's been some revisions relative to if somebody wants to perhaps pay this over time, what does the interest rate look like, that kind of thing. So, it's helpful I think to understand that we're not talking

apples to apples when we're talking Cottage Grove versus any other community. There's always a few differences that may impact the ending assessment number, but at least here in Cottage Grove 45% is what the assessable properties pay and 55% is what the taxpayer pays. So, thank you very much for clarifying that.

Council Member Khambata stated I just wanted to quickly kind of touch on the due diligence that we as a community do when we assess a road project or assess the need for a road project. So, could you just kind of touch on what core sampling was done and some of the steps that have been taken prior to this point to prolong the road and extend its useful life.

Engineer Meyer stated this neighborhood in particular is unique in that we actually had identified this previously as a neighborhood that was due for a pavement management project; unfortunately, at that time, that's when we started seeing that asphalt stripping occurring and that was a new thing. Even MnDOT and the Local Road Research Board hadn't started any research on asphalt stripping, how do we manage it, those sorts of things. So, actually, in about 2012, our Public Works Department did do a thin overlay of these roadways to help lengthen the lifecycle of this road to get us to this point. Holistically, as we look at our roadways, myself, our Public Works Director, our Street Superintendent, we're in the process right now of reviewing our roads as a whole; putting together a 10-year plan, taking a look at when were they last paved, when were they originally constructed, looking at some of the distresses. Within the last couple of years, we've started PASER ratings to understand sort of the degradation of that pavement and understanding is it more of a crack seal, is it ready for a Mill and Overlay, thin overlays, or full pavement management. One of the things we also started within the last three years is our Mill and Overlay program, again trying to help prolong the life of our roadways to more of that 40, maybe a little bit longer, with implementing those thin overlays instead of the sealcoat, as we were seeing some issues with sealcoat. So, we're constantly reviewing our streets. Our goal is to review a quarter of the City on an annual basis with those PASER ratings to understand how our streets are evolving over the years, and make sure that we're staying on top of our different maintenance options that we have throughout the community.

Council Member Khambata stated the objective of the Mill and Overlay is the roadbed itself is still structurally sound, but the top layer is starting to deteriorate; that's correct? Engineer Meyer replied yes, that is correct.

Mayor Bailey stated we did get some letters, and some of you I think are here, which is fine, but these will be entered into the record. I think there are six here that will be entered into the record for anybody that wrote those.

Mayor Bailey opened the Public Hearing. He stated this again is the time for anybody that wants to speak on this item, and we had two people who signed up out in the entryway, so I appreciate that, thank you. I'll first start with those two, and then if there are other people that would like to speak on this topic, they're welcome to do so.

Eli Weinmann, 9498 79th Street South, stated first of all, Council Member Thiede, I like that Cyclone shirt so we're hoping for some good luck in the tournament tomorrow. I just want to make a point that I think the project itself should be rejected, and I have a couple points here. I believe that it goes against the Minnesota Constitution, first of all, so Article 10 under Taxation states that the legislature may authorize municipal corporations to levy and collect assessments for local improvements upon property benefitted thereby without regard to cash valuation. So, in order for the Special Assessment to be valid, it has to have a special benefit for each property. I think that it's pretty easily proven that there's not a special benefit. I'll explain: The City has suggested that the only way in which we will receive a benefit is by an increase in property value. The increase in property value I'd say is questionable in itself, but let's pretend that it's accurate. If the nice, new, shiny road increases property value, then the opposite must be true as well; a worn-down road will decrease the property value then, right? So, a worn-down road will decrease the property value. So, let's pretend we went along with the plan, we got the road, and again let's just say that it's accurate and our property values increase by \$6,700. That \$6,700, that special benefit, is only realized if and when you would sell your house; otherwise, it's worthless. So, I assume the entire neighborhood is not ready to sell our homes come November. So, let's just say I wanted to sell my house in 20 years; what do we think the road will look like in 20 years? Judging by past history, the road will again look worn down, much like it is today. We've already established that a worn-down road will decrease property value. So, that \$6,700 special benefit that was pitched in 2024 is now worth nothing in 2044. We pay for the City's roads based on a failed pretense of a special benefit that if it does exist up front will quickly fade away; there is no special benefit. I wanted to also bring up last time we were here, I think there was a good analogy, I think by Council Member Khambata, an analogy that I really like: So, he equated it to a kitchen remodel. He stated that if you redo your kitchen, the value of your house will increase, which I generally agree with, but let's equate that analogy to this example. In 1992, let's say I built a house, got a new kitchen, great looking golden oak, which is awesome; 30 years later, you decided to redo your kitchen. It was worn down, it was outdated, so you spend let's say \$6,700 to redo your kitchen, and when you're done, your kitchen looks the exact same way as it is today. You've increased your property value by zero. That is the equivalent of this analogy. This is a maintenance project; I know it's a maintenance project because it states so in the City's own Special Assessment Policy for Public Improvements, Section 3, Subsection 1.3, it's called Full Pavement Replacement Major Maintenance. It's a maintenance project, it is designed nothing but returned to its original state when the neighborhood was built. The City Engineer's PowerPoint presentation calls it out as maintain infrastructure in good working order. So, it is a maintenance project. I've talked to a lot of neighbors, I didn't hear one person that was excited about this project and paying for the City's road. It's extremely unpopular, and like I said, I protest the project itself, it cannot legally move forward as a special assessment, and it should be rejected tonight.

Mayor Bailey stated I should mention that we'll gather the information from anybody that wants to speak this evening, and then I'll turn it over to our staff like we do, and they can respond to some of the questions or the comments that were made.

Jake Robinson, 9501 79th Street South, stated I'll just kind of piggyback off of what Eli said. We're replacing the existing road, but it's the same road. There is no special benefit to property owners. If anything, if you're going to call it an asset, it's a depreciating asset, as he said, it's going to be worth nothing 20 years from now when it depreciates back down where it is. I will say this: If the road factors into the home value, then I will assume that after the road is initially built in that neighborhood, that the property values of all of our properties had decreased every year as the road had depreciated. And if that happened, then I would welcome to see any documentation that the City or the County has to show that the condition of the road is factored into our market value of our homes when you guys determine our property taxes. I have my estimate for my home that I looked at when I bought it in 2018; the only thing that it talks about with that road is that it's paved, nothing about the condition of the road. So, I reject the project, I do not think it should move forward. Like all my other neighbors, I'm not interested in paying for the maintenance of a public road. Thank you.

Diann Schneider, 9528 79th Street South, stated I just have a couple of points, that I did call a realtor yesterday, and I had the opportunity to call another one today, and gave them a quick summary of what's going on here. Both realtors indicated to me that at no point in time do they ever tell a homeowner that a new road in front of their house is going to increase the property value of their home. They likened it to putting in a new furnace because your furnace is getting old, and you want to catch it before it breaks down. You may sell your home quicker, but you're not going to realize more money because you put \$5,000 into a furnace or an air conditioner or some such appliance in your home. I don't believe that the City is meeting its definition of a special benefit, and I think the burden is on the City to prove that we are in fact getting a special benefit by paving our road. That's all I have to say, thank you.

Michael Gelao, 7860 Jenner Avenue South, stated I'm the only person that's ever lived on that property, and the roads were put in in 1995. I'm not disputing the fact that they need to be replaced, I'm disputing the fact that there's a special privilege or assessment because it's the City property. Like everybody else has said, over 30 years, every year it depreciates. So, by bringing it back to brand new, you subtract the 30 years of depreciation, now you're adding another 30 years on, we're at zero. Negative 30 plus positive 30, we're at zero. So, like I said before, I'm not disputing the project, I'm just disputing the fact of the assessment. Thank you.

Mike Sandidge, 7958 Jenner Avenue South, stated I agree with most of their points. I am curious, however, my biggest point is the financial burden you're putting on a homeowner. The money I see coming in from the special assessment, I work construction, I've worked construction for almost 35 years; I'm not sure where you're getting your bid, but it seems exorbitant. And you're telling us we're only paying less

than 50%? Unless you're doing major utility work, maybe get a couple more bids. Secondly, you're telling us that this will increase our property values, but yet our property taxes have gone up every year. So, if our property values have been going down, why are our taxes going up? Thank you.

Traci Norum, 9582 79th Street South, stated I just want to hit on a point and double down on that. Yes, it's true, Tony, we only have to pay 45%, which yes, is technically less than 50%; but let's be honest, it's pretty doggone close to 50%. So, what that means is when our house values go up because of this, supposedly, the City makes more money off of us because we pay higher taxes; which means that, yes, we're paying 45% of what's happening on our street that we never even asked to have happen on our street, but we're also putting into the pot that goes into everybody else's street. So, while yes, we're paying 45% of our own street, we're also helping pay for all of the other streets, right? Because our property taxes will go up. So, this whole project in the end truly benefits the City of Cottage Grove, not us as individual homeowners. At the burden of almost \$7,000, which some of us probably have earmarked for, I don't know, college tuition at this same time. Thank you.

As no one else wished to speak, Mayor Bailey closed the Public Hearing.

Mayor Bailey stated I'm going to turn to our staff, as there were a variety of different questions, but I know there was one about the legal State Statute or Constitution; City Attorney Kori Land stated it was the Constitution, one of my favorite things. Mayor Bailey stated, thank you, so I'll let our City Attorney talk through that one first.

Attorney Land stated thank you, your honor, and certainly members of the public, again, thank you for coming out. You're right that the Constitution does require special benefit when the City is using its taxing power. The special benefit is a fact question; you are right in raising it. This is not the hearing to do that; again, this is the hearing to raise whether or not the City should do the project. They're doing it under 429 to assess it, but this is not the time when you are actually being assessed; that assessment hearing will come in late Fall, and there will be another Public Hearing for that. So, if you don't want the project ordered, your street will stay the same. That's the decision that Council is making tonight. But the special benefit test is if you want to challenge your assessment at the next hearing, you file a Notice of Objection with the Council at or before that hearing, after you have the final assessment number. You submit that in writing before the Assessment Hearing. Then, if you perfect the appeal and it goes to District Court, that is where we will have the experts argue it out in court. You have the battle of the experts, I call it, for the Special Benefit Appraiser.

Now, someone mentioned that the real estate agent says there's no increase in value for having a shiny new street. Realtors are not appraisers. There are expert Special Benefit Appraisers that the cities will hire, and presumably, if you were to challenge your assessment, you would also hire. So, your honor, that is the place where the fact question will come out, whether the City has met its burden; because you're right, the City has to prove that the Special Benefit, or what your assessment is being charged, does not exceed what our appraiser says the Special Benefit value is. So,

we've done a preliminary assessment roll, we've asked a Special Benefit Appraiser to give us an estimate of what the special benefit is; but if we actually need to go to District Court on this, we will ask that Special Benefit Appraiser to do a full-blown appraisal, and they will have to justify their expert opinion on where the special benefit is and how much it is and why it is. So, again, that's a fact question to come out at that time. But this is simply the ordering of the project stage. Yes, we have to give you the preliminary number so you know how much it may cost you in the end, but this is not actually challenging the assessment itself. So, if there are enough no votes in the audience that you don't want the Council to order your project, then they won't. If that's their decision, that they want to see this street go into a continuous state of disrepair, that's the outcome.

Mayor Bailey asked City Administrator Jennifer Levitt if she wanted to take some of the other comments that were made.

Administrator Levitt stated thank you, Mayor, and members of the Council. The one comment that was made assumed that we had a bid, and I want to be really clear at this point, this is just an engineer's estimate. So, as Amanda said, we've taken cores of the street so we understand the pavement, the pavement section, what needs to be replaced, we've televised the sanitary sewer and the storm sewer, we've tested all of the gate valves, we checked all the catch basin structures. So, as part of this, just to be absolutely clear, it includes more than just the street; so, you're looking at sanitary sewer repairs, water, storm sewer, and streetlights. So, all of those things are in this project. Council, you know we are usually very conservative at this phase of the project because obviously we don't know where the bid environments are, you never know where our asphalt prices are going to come in when you go to bid. So, usually, we have a factor of safety in there in regards to a conservative value of estimating, just so that we don't unduly burden the residents with one number and then come back with a higher number. So, I think our track record speaks well for itself; usually, we start high and we come in lower. I'm not guaranteeing it in this case, but that's usually how we strive to do that. Council, once you order the project, then we will move to an actual competitive bid, and then we'll have competitive bids on all items, and we'll bring that back to you for consideration. If it is an outlier, and outside of our engineer's estimate, you have the ability then to reject all bids and have us rebid the project to ensure that we're within that margin that you feel comfortable with and how that affects the residents' assessment. So, I hope that answers the questions, but if there's anything else, we'll be happy to answer them.

Council Member Thiede asked how many homes are affected in this project.

Engineer Meyer replied there are 79 properties in this neighborhood.

Council Member Thiede stated I guess we've heard from maybe a half dozen of you. Again, I would say I'd certainly like to hear from, almost like a vote from the neighborhood or something like that. In a sense, if you all want to, it's not like there's a collector road or anything, if you all want to live on bumpy roads and affect your vehicles and things like that, in some ways I feel that that's your prerogative. Obviously, if this had been done in 2012 or something like that, it would have been significantly less

because of the way costs have gone up and everything else, right? So, it's almost like one of those things, almost like insurance, where you hate to pay for it, and I'm certainly not looking for the time when my roads get assessed and have to be fixed either. I would say we're kind of following the general procedure that has been followed, and maybe we need to look at it and so forth, but I guess that's it.

Council Member Olsen stated just some general comments, not really directed at or to any specific element of the conversation, but one thing that we as Council Members often hear is the City should do this, the City should do that. And I want to reiterate to folks that all of us in this room who live in Cottage Grove are the City, every single one of us. I'm a taxpayer, you're a taxpayer, my kids go to school, your kids go to school. We are all the City of Cottage Grove, and the City of Cottage Grove, as an entity or as a local government unit, has assets that it has to protect. That's why we have a Police Department, that's why we have a Fire Department, that's why we have a Public Works Department; they protect our assets, they protect our properties, they protect our parks, they do all those things, and all of us, as taxpayers, pay into that. The City isn't some far away, distant guy behind some door that sits in an office; that's not who the City is, the City is every one of us. And, so, by extension, every one of us has a say, every one of us has an opinion, every one of us has a different way of looking at things, and that's what actually makes our City really strong. And we are very strong as a City; we have the second-lowest tax rate of any community in Washington County and have historically come in at that, second lowest property tax rate. The only ones who are lower than us, and there's only one, they get what's called Local Government Aid from the State of Minnesota, which by the way, we're all the State, too. So, they get taxpayer dollars from people who live in Virginia, Minnesota, in St. Paul Park, and in Newport. We get a tiny little bit of that, but we don't get much, but that's why they're able to have a little bit lower property tax rate. But other than that, we're the lowest, and that's because we're very careful with our dollars. And we also recognize that part of the responsibility of the local government entity is to ensure that every street in the City, which are assets, is in good shape because that's what allows us to have more people who want to live in our community and feel safe and comfortable. The last thing I would ever want is for one of my neighbors in the City of Cottage Grove to have a family member who is let's just say having a heart attack, and time is of the essence. And our Public Safety vehicles have a hard time getting to their house because their street is in disrepair. And you might say that that's a farfetched thing to talk about, but it's very true, and it happens in rural communities all the time where they don't even have paved roads; they have roads that have deteriorated to the point where they're basically gravel. And we could go that route, it's certainly not something I'll ever stand for in my time as a Council Member because I feel strongly enough about the safety and welfare of my neighbors, the value of our community as a community, not just a street or a neighborhood, but as a community that I want us to have the very best streets, the very best parks, the very best Public Safety personnel, the very best Public Works personnel, the best administrators who get things done for people, utility billing, etc. Because, again, we are all the City. And this is one of those things that nobody likes, and I've sat here at the Council dais on more times than I count and I've heard similar

commentary; nobody likes it. The Mayor had his neighborhood done here a few years ago, and it was a full reconstruct, and it was very expensive. He certainly doesn't get a discount because he's the Mayor, and nobody likes it, but it's a necessary thing and it's legal; it follows Minnesota Statute to the letter so feel free to argue that point, but I'm going to tell you right now, it's a losing argument because it is absolutely consistent with Minnesota State Statute and State law. And, again, it's necessary. I don't take it lightly that our Public Works team, our Engineering team do all kinds of scientific testing when it comes to ordering road projects. And they don't want to do a full reconstruction if they can help it, they want to do a much less expensive maintenance project, which is why we're now doing Mill and Overlays and different things. When it all boils down to it, if it needs to be done, it needs to be done. Just like maintenance on your house, just like maintenance on your car. It's never convenient, it's never something you want to do, but it's something that needs to be done. I appreciate the fact that everybody has shared their comments, and I appreciate the fact that this is a challenging circumstance, trust me, I do. Many of us have been through it ourselves, but it is something that at some point you have to do. So, it's pay me now or pay me later, but we have to do it as a community. Again, it's not just one person or two people sitting behind a desk someplace in a corner, hidden away, that make these decisions; this is the City and we are the City. And that's all I have, Mayor, thanks.

Council Member Khambata stated you know, we only have so many dollars to spend on pavement management every year, so there is a neighborhood that is next in line for next year and the year after that and the year after that. I know that for the second or third year in a row, I'm having potholes filled on my street, and I know that I'm not on the Mill and Overlay or the pavement management outlook for probably 8-or-10 more years. So, if 79th Street doesn't want their road paved, I'm sure there's another neighborhood that would love to be moved up on the calendar. So, I don't know if that's an option to rework our management strategy, but if there's this strong of opposition and they truly want to live with what they've got for a few years longer, and we can circle back in a few years and hopefully the bid prices are lower, unlikely but possible. You know, eventually it's going to come back up for pavement management at some point, but I'm open to tabling this and adjusting the management project for the upcoming year if they feel that strongly about it. But the likelihood that it's going to be cheaper in the long run, unlikely. So, if it were me, and it was my street up for maintenance, I would jump at the opportunity to get it done now versus 3-or-5 years from now, just seeing the way that all of our bids for any infrastructure project that we've had come up, which we use the Rule of 3: We take bids, we go with the lowest, best bidder in every instance, they've gone up every year. I don't project that they're going down for anybody or any project in the future, so I think that would be a poor course of action, but I'll just throw that out there. If 79th Street doesn't want to get done, and the rest of the neighborhood does, and they can justify coming back and potentially having this be a larger cost burden down the line, maybe they don't live there anymore, maybe they don't care. I'm open to Public Works revamping our management strategy for 2024, but I don't think it's going to be a good outcome for this neighborhood if they do that.

Mayor Bailey stated a couple things that I'm going to just share with the public. So, first of all, I know, Council Member Khambata, I know what you're saying there, but I don't think if I'm listening to those in the audience here, I don't think that they don't want their street done, they just think the City should pay for all of it to be done. Okay, and I'm seeing a lot of nodding heads, well, maybe not over here. But here's my point: Many, many years ago, we put together a Pavement Management Task Force, which involved citizens, similar to yourselves out there, right, as well as some of our commissions, and they came up with this particular process that we have. My personal opinion would be, and we've actually talked about this from a staff standpoint, and that is we have been doing projects using this formula and process now for I don't know how many years. Ryan, can you even tell me how many years, or Jennifer? I'm just curious. My point of it, the reason I'm bringing this up is what I hear from you, and I'm going to say this with all due respect, is you want the rest of the citizens in Cottage Grove to pay for your road when the rest of the citizens had their road paid for, that they had to be assessed a certain amount, when you actually helped, depending on when you've lived here, you helped pay for part of their road, which makes up the 55% that is the City, and then we do that every year. So, every year we continually bring more roads that based on feedback and based on data, we don't just do a road for the sake of doing a road. As a matter of fact, in this particular case, if you recall, we did a Mill and Overlay because we said we think there's more time in your particular road. And so we had our own staff go out and it didn't cost you guys any assessments or anything like that with regards to the Mill and Overlay process. So, I wanted to bring that up as a point. Maybe at some point, again, this is my philosophy, you know, once we've made the complete round where everybody paid the way the system is laid out right now, then I'd go, let's take a look at it. But I will share this with you, when that day would come, if it would come, your taxes are going to go through the roof, everybody's taxes are going to go through the roof, and that's what we're dealing with here. It isn't that we can't not do roads, we need to do roads, and the fact is the process that we have put into place means that because the road in front of your house is more likely used by yourself, that's where this process is broken out between what we as a City as a whole benefit from the City and then you benefit because the road in front of your house is in better shape. Now, whether you want to disagree or agree with the assessment value of that, I'll leave that up to our experts, to be honest with you. I will tell you, and I brought this up at the last meeting, and it was mentioned just a little bit ago about my road; I do know there was a Council at one point in time and I was not on the Council at the time, that had an uproar of citizens in front of the Council. I think that was the first time and the only time that that particular Council said okay, we won't do the road project. And then you fast forward to it got back into the cycle, and my charge, because it was neighborhood before I even lived there when it was a no, doubled in price. It absolutely doubled in price because as the road continues to deteriorate, it's going to get worse and it's going to cost more to fix it. I'm just telling you the way it is, that's what happened in here, it's the only time that I've noticed that the situation has ever been declined, if you will, and those residents were not happy to have to pay the higher rate when they knew X amount of years earlier it was half the price. And, so, whether it's the inflationary factor or not, I just wanted you to be aware of how we get to the point of the assessment process between

what individual homeowners in neighborhoods pay versus what the rest of the City pays. I just wanted to put that out there because I don't want you to think that we're just willy nilly doing this thing. As it was mentioned earlier, we have core samples of your neighborhoods and I did hear most of you were saying that you believe that the roads need to be done, but you think the City should be doing it versus you guys having to pay, other than paying it from a City standpoint.

A gentleman wanted to ask a question, as he stated he was a little confused. Mayor Bailey asked him to come up to the podium real quick to speak.

Tim Buchal, 9476 79th Street South, stated I'm a little confused. There was a guy walking around my neighborhood, taking pictures, and I asked him what he was doing, and he said he was taking pictures of my driveway and the curbs because they were only going to do blacktop. So, my understanding was our street was just going to be blacktop; now it sounds like we're getting sewers, electrical, is that right? Am I missing something? I just thought it was a road project and the guy told me we're just doing blacktop, no curbs, no nothing. And, so, that's why I'm thinking that assessment is high for just blacktop.

Council Member Olsen stated that may have been a blacktop contractor or one of the potential blacktop contractors because we hadn't taken bids yet, but when we do these road projects, Amanda, please share what that entails.

Mayor Bailey stated that's a great question, I'm glad you got a chance to ask it, thank you.

Engineer Meyer stated the proposed work for this neighborhood is full pavement replacement, full curb replacement. There are some minor utility repairs, so we're looking at lining some storm sewer, working through some of the structures if there's any infiltration happening in the barrel sections, taking a look at the castings. As City Administrator Levitt alluded to, we're also checking valves for the watermain and then reconditioning the hydrants as well. Related to the streetlights, the wire is direct bury. I know this was a question at the last meeting, and since then, Council Member Olsen, one of the other pieces with the direct bury is in that freeze-thaw cycle that direct bury wire is more susceptible to break. So, by putting it in conduit with this project, it's easier access for maintenance, reducing breaks, and then also looking at upgrading the lighting to be more consistent with the neighborhoods across the community. So, I think that's a pretty good summary of the proposed improvements for this neighborhood.

Council Member Olsen stated with respect to what you just discussed, can you share a little bit about how each of those specific elements are funded.

Engineer Meyer replied right now, as City Administrator Levitt alluded to, we did a feasibility report and looked at the neighborhood as a whole, the proposed improvements, and then we estimate the Total Project Cost. Then we do take a look at the 45% of the Total Project Cost assessable against those 79 properties throughout the community, with that third-party Special Benefit Appraisal ensuring that the calculation, based on the Infrastructure Maintenance Task Force calculation, that we're staying underneath that Special Benefit Appraisal.

Administrator Levitt stated well, Mayor, Members of the Council, one thing I just wanted to add because I wasn't sure, for example, if we addressed everything that Council Member Olsen asked; specifically, the other 55% is being borne by our utilities: our Storm Sewer Utility, our Sanitary Utility, our Water Utility, and Streetlight Utility. So, those additional funds are what picks up those 55%.

The one thing that I did want to make sure that I got into the record for you guys is just the reminder that by State Statute it has to be a 4/5 vote; tonight, since you are one Member short, it will need to be a unanimous vote for you to order the project.

Mayor Bailey thanked Administrator Levitt for the update.

Motion by Council Member Olsen to Adopt Resolution 2024-050 ordering the 2024 Pavement Management Project; second by Council Member Thiede.

Motion carried: 4-0.

Mayor Bailey stated as it was shared with you from a staff standpoint, at our next meeting or the next couple meetings, we will obviously have a bid process that will come through. Once we get the bids, there will be a selection process, and as was talked about earlier, it will come back before the Council. I happen to know specifically one of the neighbors in your neighborhood over there, not that he has to be the one that I go to, but if you're interested in knowing what that bid amount is, you can obviously check online. You're also fine to reach out to me or any of us would be more than happy to share with you what that final bid cost would be if you're concerned about where that number may come in at. But, again, at that particular point, then the Council would either accept the bids, reject the bids, maybe send it back; there are variety of different options that may happen at that time. All right, thank you for coming tonight.

10. BID AWARDS

- A. 2024 Mill and Overlay Improvements - Bid Award and Joint Powers Agreement (JPA) with St. Paul Park
Staff Recommendation: 1) Adopt Resolution 2024-049 awarding the 2024 Mill and Overlay Project to Bituminous Roadways, Inc. for the base bid amount of \$1,207,693.20. 2) Approve the Joint Powers Agreement with St. Paul Park with minor modifications by the City Attorney.

Engineer Meyer stated all right, this is the 2024 Mill and Overlay project Bid Award; so, just to remind you, we're back in that Thompson-Grove area, finally finishing out the third year to get this neighborhood completed. Two unique pieces to this project: 1) There is a short segment of 85th Street that's actually on the border between Cottage Grove and St. Paul Park, so there is some cost share with St. Paul Park. 2) The other piece of Glenbrook, just north of 82nd Street, we have a two-inch watermain that's CIP pipe; so, it's not something that's typical in our system, we're looking to remove that and replace it with six-inch ductal, add a hydrant for flushing, and be more consistent with our water system.

So, as we look at bids, we got seven bids we opened on February 29; the Engineer's Estimate was just over \$1.4M and actually that falls right in the middle of those bids, which is good to see. Our low bid was from Bituminous Roadways at \$1,207,693.20; they actually did one of the other Mill and Overlays in this neighborhood, so they're very familiar with the area and we had a good experience with them. Based on that low bid, we're looking at a cost share with St. Paul Park of just under \$22,000; we will add an administration fee percentage to that since the City is doing that contract administration for them. I wanted to mention with that watermain piece, there is some funding coming from our Utility Fund for that piece of the project.

So, with that, there are two recommendations before you; because of that shared street segment with St. Paul Park, there is a JPA that we're looking to execute. I'll stand for questions, and the recommendations are before you.

Mayor Bailey asked Council if there were any questions:

Council Member Khambata stated my question was regarding the second recommendation, which is regarding the Joint Powers Agreement with St. Paul Park with minor modifications by the City Attorney. What variables are potentially going to be modified.

Engineer Meyer replied the reason for that language is St. Paul Park is also still reviewing the JPA, and they have not technically approved it. Minor modifications we would look to City Attorney Land to provide some guidance; if there are any major word changes, those would come back to Council, but the dollar amounts are set based on construction costs, so that would not be different.

Council Member Khambata stated so, anything that would substantially change or modify the City's obligation or financial burden would come back for a vote.

Engineer Meyer stated yes, that's correct.

Motion by Council Member Thiede to Adopt Resolution 2024-049 awarding the 2024 Mill and Overlay Project to Bituminous Roadways, Inc. in the total amount of \$1,207,693.20; second by Council Member Khambata. Motion carried: 4-0.

Motion by Council Member Khambata to Approve the Joint Powers Agreement with St. Paul Park with minor modifications by the City Attorney; second by Council Member Olsen. Motion carried: 4-0.

11. REGULAR AGENDA - None.

12. COUNCIL COMMENTS AND REQUESTS

Council Member Khambata stated I would just like to commend all of our City staff on their hard work, keeping our meetings running smoothly and keeping our City running smoothly.

Council Member Olsen stated a couple of things here: First of all, for those of you who are in the Easter spirit, which I believe many of us have been with the nice early Spring

weather that we experienced here over the last couple weeks, although it sounds like that's about to change, we do have our annual Cottage Grove Lions Easter Breakfast this coming Sunday at the VFW Red Barn here in Cottage Grove. The event starts at 8:00 a.m. and it goes until noon; the cost to attend this event is \$12 per adult, \$8 for kids. This is a wonderful opportunity to come and enjoy an absolutely delicious breakfast: Pancakes, eggs, sausage, biscuits and gravy, etc. You also have the opportunity to meet the Easter Bunny at no extra charge and get pictures with the kids, etc. So, please come join us on Sunday, we would very much like to see you there. Again, the Cottage Grove VFW, it starts at 8:00 a.m. and goes until noon.

Council Member Olsen stated I also wanted to mention that the Lions have their annual Scholarship Program out now. It is available for graduating seniors at East Ridge High School and at Park High School. You can get information on these scholarship opportunities through the guidance counselor office at the high schools, or online; you can look at our Cottage Grove Lions page, and I also put it out on my personal Facebook page today. That scholarship is a \$2,000 scholarship for the students who are ultimately selected, and we have five of those available; so, we would love to have as many really, really good scholarship applications as possible. The deadline to apply is April 10 for the Cottage Grove Lions Scholarship Program.

Council Member Olsen stated the last thing that I wanted to mention is I believe, Mayor, correct me if I'm wrong, is this Friday the last Fish Fry at River Oaks; Mayor Bailey replied, no, there's one more, on Good Friday. Council Member Olsen stated I'm going to tell you right now make your reservations and get down there because it's absolutely wonderful. We have a great crew down there at River Oaks, they do a really nice job, but it fills up fast, so you need to make your reservations to come down for the Fish Fry pretty quickly. It's just a delicious opportunity to enjoy a Fish Fry with your friends here at a wonderful facility, River Oaks. So, we actually have two Fish Fry Fridays left, and you can make reservations either by contacting River Oaks by phone or if you go online to the River Oaks Municipal Golf Course page, there's a link there where you can actually make your reservations online as well.

Council Member Thiede stated I guess I don't have much, just that we're going to have something that's a little more unusual this weekend, maybe; usually, if the weathermen get all excited about it, it doesn't happen, but so just be safe out there. We haven't had a whole lot of snow this year and so forth, but I guess it'll keep you inside and you can watch the Iowa State Cyclone boys advance in the tournament. And look at the Gophers, the Gophers won last night in the secondhand tourney, but hey, it's still fun, right?

Mayor Bailey stated so, I have three things: One, real quick, to kind of piggyback on the snow comment only because we've not had it, right? Because they're talking snow, maybe as early as Thursday night into Friday, 2-to-5 inches, maybe, who knows, and then Sunday could be a whopper, depending on who you listen to. The only reason I'm bringing that up is do remember don't park in the streets because our plows need to get

through the streets; and I know myself, my wife's been parking her truck in the street right now and we've been okay, we bought a new trailer, so, yes, we're going to have to figure that out. The point of the matter is please make sure you move your cars off of the streets so our plows can get through during this snowfall. Hopefully, it won't happen, like you said, maybe it will quit.

The other item I wanted to mention real quick is another positive thing, and that is every year, other than Strawberry Fest, a few weeks after Strawberry Fest, we have the Fourth of July fireworks show. The day event with the Fourth of July fireworks show is the Cottage Grove Lions putting on some family fun events there. What I do for the Lions is I do reach out to some of our local businesses to see if they'd be willing to be a sponsor of the Fourth of July fireworks. So, as we get a little bit closer here, for the next couple meetings, I wanted to share with you I already have two sponsors; my goal is to have companies donate \$5,000 towards the fireworks so it will be a \$25,000 fireworks show. I've already had responses back from two businesses that are returning from last year, Tennis Sanitation, Willie reached out to me right away and said absolutely, he'd do it, and then also NorthPoint, which is the big developer in our Business Park right now. It's not that the other ones aren't, it's just we're working through that process, and there's another one that just reached out to me, so it could be more than \$25,000. I just want to thank both Tennis Sanitation and our partner in the Business Park, NorthPoint, for contributing to what will be a fantastic Fourth of July celebration with some amazing fireworks.

Council Member Olsen stated thank you, Mayor, for your help with that, our Lions Club appreciates it very much. Mayor Bailey replied yep, not a problem.

Mayor Bailey stated and then I'm going to get on a serious note, and staff's going to go, oh, my gosh, I'm bringing this up. I know we still have a few people kind of standing out in the hallway, so I'm going to mention this, and maybe they'll hear it, too. Up at the Capitol right now, there is an Omnibus Zoning Package that is going through the House and it's going through the Senate. The Senate File is 1370, and the House File is 4009. Now, some of you might be wondering why am I bringing this up, and the reason I'm bringing this up is because this particular Omnibus Zoning Package, if it were to pass and be signed by the governor, will dramatically change how cities can manage their housing. And some of you might think, oh, it means less housing or maybe not as much housing, and I'm telling you it's completely the opposite. The way it's written, as it is today, if you or I, as a single-family homeowner, lives next to somebody who decides to sell their property, and a developer comes in and says I want to put in a six-plex, they can put in a sixplex right next to your single-family house. And we can't stop it, we can't tell them what they can do for what their house has to look like, we can't require them to have parking on site, which means they'd be parking on the streets. It completely circumvents the City's ability to properly zone and manage what I think all of us would want to have managed in our community. We're not the only City fighting this; every other city in the State of Minnesota, through all the different agencies and groups is doing this. The reason they're doing this, if you will, maybe isn't the wrong reason; if you look at what the core was, it was to create more affordable housing, but the way they're doing it is not, in my opinion, the right way. And, so, what I do encourage you to do is

please call your local representative, whether it's the House or the Senate, you can look them up at the Capitol or anybody else that you want at the Capitol, or even the governor, and share with them your displeasure at what could happen literally in every neighborhood here in Cottage Grove and every other city in the State of Minnesota. So, again, it's the Omnibus Zoning Package, Senate File 1370 and the House File is 4009. So, I don't think ever I have actually made a statement like this before, but this is so out of reality, in my personal opinion, I would absolutely think it would be nuts. It'd be like putting it down where you live, in a nice area, or where we live, or you live. It's just unbelievable.

Council Member Thiede stated we have an association, Mayor Bailey stated it doesn't matter. Council Member Thiede stated I don't know, Mayor Bailey stated it doesn't matter.

Council Member Olsen stated my understanding, Mayor, is that the League of Minnesota Cities and Metro Cities are both lobbying against this; have you heard the same? Mayor Bailey stated yes, heavily.

Council Member Thiede stated it does sound pretty ridiculous. Mayor Bailey stated it is, and there literally is no, it isn't that you have an association, they can stop it, I mean, because they can't stop cities.

Council Member Khambata stated St. Paul removed the parking requirement on multiunit housing several years ago, if you want to look at like a case study on this, and it has exacerbated their parking because then it's street parking, right? Mayor Bailey stated yes. Council Member Khambata stated it's the same scenario; somebody comes in and replaces a fourplex or a sixplex with an 18-or-20-unit apartment building, and now they can cover every square inch with housing because they don't have to accommodate parking anymore. So, now you've got affordable housing, and their justification is well, it's low-income housing, and those people are going to ride the bus. Well, that's not the reality for most people, even in those scenarios, and then it greatly affects and disrupts the other parts of the neighborhood. So, as frustrating as our parking requirements are in development, it's with that orderly process in mind. I know that the State and Minneapolis and St. Paul associations are all advocating against those for similar reasons, is that they want to keep the authority local because every city is different and every city has different needs. And, you know, in areas where you have mass transit that can accommodate, removing that parking requirement might be feasible; in areas where transit is lacking, like the suburbs, that can be problematic. So, for that reason we're trying to keep the control local so that we can manage our needs individually.

Mayor Bailey stated absolutely, and I would just mention, my last comment on this is staff and myself, on behalf of the City, did send letters to all of our representatives up at the Capitol to express our desire to vote against this particular bill and advocate against it. Some of the responses received so far have been very good, in agreement. We haven't heard back from everybody yet, but again, if you are passionate about this and want to make sure that local control manages this process, please reach out to your House or Senate leaders.

13. WORKSHOPS - OPEN TO PUBLIC - None.

14. WORKSHOPS - CLOSED TO PUBLIC - ST. CROIX ROOM

- A. Friends of Grey Cloud Litigation Workshop
Staff Recommendation: Workshop closed to the public pursuant to Minnesota Statute 13D.05, Subd. 3(b), Attorney-Client Privileged Communication.

Mayor Bailey stated I will mention this one last time: The meeting will be closed, per Minnesota Statute 13D.05, Subd. 3(b) for Attorney-Client Privileged Communication to discuss the Friends of Grey Cloud litigation, and I believe that will be in the St. Croix Room. With that, we'll be adjourning in there; otherwise, everybody have a great evening and Happy Easter.

Motion by Council Member Olsen, seconded by Council Member Khambata, to close the meeting at 8:11 p.m.

Motion by Council Member Thiede, seconded by Council Member Olsen, to open the meeting at 8:53 p.m.

15. ADJOURNMENT

Motion by Council Member Khambata, second by Council Member Olsen, to adjourn the meeting at 8:54 p.m. Motion carried: 4-0.

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