Cottage Grove

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MINUTES

COTTAGE GROVE CITY COUNCIL — May 1, 2024

COUNCIL CHAMBER
12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MN 55016

<u>REGULAR MEETING</u> - 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 May 1, 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-Here; 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; Joe Fischbach, Human Resources Manager; Conner Jakes, Associate Planner; Pete Koerner, Public Safety Director; Dan Schoen, Public Safety Captain; Korine Land, City Attorney-LeVander, Gillen & Miller, PA; Brenda Malinowski, Finance Director; Amanda Meyer, City Engineer; Emily Schmitz, Community Development Director.

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

Motion by Council Member Olsen to approve the agenda; second by Council Member Thiede. Motion carried: 5-0.

6. PRESENTATIONS

A. Presentation - Accacia Lodge Donation
Staff Recommendation: Accept and approve the donation of six Fire Suppression tools from the Accacia Masonic Lodge No. 51.

Mayor Bailey stated Pete Koerner, Public Safety Director, will speak about this; he asked the Council Members to join him in front of the Council dais for the presentation.

Director Koerner stated many of the Accacia Masonic Lodge No. 51 are here tonight, and he's been working with Lloyd Cheney on this; he asked Mr. Cheney to speak about this donation.

Mr. Cheney introduced Worshipful Master Adam Martin, Mr. Cheney is currently sitting as the Senior Warden, and with us tonight is also our Junior Warden, Dave Martin, our Lodge Education Officer, Steven Miller, a past Worshipful Master brother, Jerry Johnson, and another past Worshipful Master brother, Neil Clymer. We also have from our neighboring Newport Lodge Worshipful Brother Steve Ingram. Last, but certainly not least, is our District Representative Bill Solberg, from his mother lodge, St. John's in Stillwater. Mr. Cheney stated Mr. Martin will speak further.

Mr. Martin stated on behalf of Accacia Lodge No. 51 in Cottage Grove, MN, it is our honor to donate these Fire Suppression tools to the City of Cottage Grove and its first responders.

Mr. Cheney stated for people who don't know the history of Old Cottage Grove, Accacia Lodge No. 51 is actually the 51st Lodge that was established in Minnesota, lodges kind of ebb and flow, but we were founded in 1865. So, next year it'll be 160 years that this lodge has been in existence; our lodge building itself was the first congregational church built in 1865. If you drive past it in Old Cottage Grove, you'll see that we have done much work on that building and continue to do so. We thank the help that we got from the City and certainly the County Historical Preservation Society. We also do these donations and asked if anyone knew what a Fire Suppression tool is; he explained if an officer driving through the City sees smoke, that officer can grab this Fire Suppression tool, pull the pin, open up the door, and throw it in. It will deploy, and it's not a toxic substance, its an aerosol, but does not take the oxygen out of the room. We recently had a save in Newport with this, a Washington County deputy deployed this tool, saved some dogs in a house, and actually saved a structure from the fire. So, within 35 seconds, it will reduce the temperature in the building by over 1,000 degrees, and it will put out the fire or at least get it to where a Fire Department can continue putting out the fire in the building.

We have six devices right now that we're donating to your squad vehicles, and you have over 18 squads; it is our mission to get to a point before next year to have all your vehicles with this device in it. It's a good program and a wonderful tool for our first responders.

Mr. Cheney stated there's a pancake breakfast this Sunday at the Accacia Lodge, from 8:00 a.m. to noon. So, come get your pancakes.

If you have kids in Park High School, Woodbury High School, or high schools in the area, we are giving out three $1,000 scholarships. I brought some flyers that you can take about that or you can go onto our website.

We will also have a Flag Day celebration where we'll be putting up a flag; that flag is actually an Eagle Scout project by Brother Steve and his sons. The flag itself actually flew and was carried on the USS Minnesota submarine, which was obtained through our contact with a retired Navy serviceman, who belongs to our Lodge.

Mayor Bailey stated thank you immensely, to all of you, for this amazing donation, and the fact that you're committing already to putting these in every one of our squad cars is truly inspiring.

Mayor Bailey stated it's groups like yourself that really, truly make our community an awesome place because frankly, I didn't even know there was this option available until I started seeing it on some of the social media posts of our surrounding cities. Then I found out we were going to get this opportunity from you and your group to do that, I just want to say thank you.

Mr. Cheney stated you're welcome; I also want to say that we could not do this without the help of Minnesota Masonic Charities, our charitable arm of our organization. They are subsidizing these Fire Suppression units, along with the Lodges, we're working in partnership with them. This idea was really orchestrated by a past Grand Master, David Berg, and it's being continued by our current Grand Master.

Mayor Bailey stated you mentioned the pancake breakfast this Sunday. I have to mention the spaghetti dinner is amazing and so are the peanut butter cookies, whoever makes those, but we always enjoy heading out there as a group. So, thank you for doing that, too. It's obviously good, giving back to the community.

Mayor Bailey asked if the rest of the Lodge members would come forward for a photo, along with our police officers. Photos were taken, after which everyone applauded.

B. Proclamation - Mental Health Awareness Month
Staff Recommendation: Proclaim May 2024 Mental Health Awareness Month.

Council Member Garza read aloud the 2024 Mental Health Awareness Month proclamation.

Motion by Council Member Garza to proclaim May 2024 Mental Health Awareness Month; second by Council Member Thiede. Motion carried: 5-0.

C. Proclamation - EMS Week
Staff Recommendation: Designate the week of May 19-25, 2024 as Emergency Medical Services Week.

Council Member Khambata read aloud the Emergency Medical Services Week proclamation. This is the 50th Anniversary of EMS week, the theme is "Honoring our Past, Forging our Future."

Motion by Council Member Khambata to designate the week of May 19-25, 2024 as Emergency Medical Services Week; second by Council Member Olsen.
Motion carried: 5-0.

D. Proclamation - Police Officer Memorial Day 2024
Staff Recommendation: Proclaim National Police Week May 12 through May 18, 2024 and Peace Officers Memorial Day May 15, 2024.

Council Member Olsen stated it's an honor and a privilege to be able to read these proclamations: National Police Week, May 12 through May 18, 2024, and Peace Officers Memorial Day, May 15, 2024. He read the proclamations aloud.

Council Member Olsen stated in 2024, we've already lost 55 police officers across the country, and that includes the two we lost in Burnsville, Minnesota, and it's May 1; that's a pretty staggering number to me. So, it means a lot to me, Mayor, that you gave me the opportunity to read this proclamation.

Motion by Council Member Olsen to proclaim National Police Week May 12 through May 18, 2024 and Peace Officers Memorial Day May 15, 2024; second by Council Member Thiede. Motion carried: 5-0.

E. Presentation - Public Works Spring Cleanup Event
Staff Recommendation: Receive a presentation on the Public Works Spring Cleanup Event.

Ryan Burfeind, Public Works Director, stated every year, the first Saturday in May, we have our annual Spring Cleanup Event at Public Works, from 7:00 a.m. to 3:00 p.m., rain or shine. We will be there accepting: Household Goods, Tires & Batteries, Miscellaneous Materials by the Load, Treated & Untreated Lumber, Electronics, Shredding. Our pricing is very similar to other years; our goal is really to have a very convenient and low-cost way for folks in town to clean things up, bring them down, and we'll take care of that. We're also recycling a lot of it, we're trying to recycle every bit of it that we can.

Director Burfeind stated in 2021, Washington County stopped accepting hazardous materials on a cleanup day like ours; they want folks to use the Environmental Center in Woodbury, which is very convenient.

Mayor Bailey thanked Director Burfeind, stated this is very well attended every year, and it's nice to clean out yards, garages, and houses.

Director Burfeind stated most people come in the morning, but if you want to have a lot shorter line, in the afternoon you can probably be through there in about five minutes.

Council Member Khambata stated somebody asked me if there's a limit to the size of the objects that can be dropped off.

Director Burfeind stated I should be careful how I answer this, but if you can bring it in a box truck, we'll take it.

Council Member Khambata stated I think it was related to old furniture, but they were asking me, and I was like I don't exactly know.

Director Burfeind stated it shouldn't be an issue; if you can legally haul it down the road, I imagine we can take it.

Council Member Khambata stated all right, good to know, thank you.

F. Proclamation - Asian American & Pacific Islander Heritage Month
Staff Recommendation: Proclaim the month of May 2024 as Asian American and Pacific Islander Heritage Month.

Council Member Thiede read aloud the proclamation.

Motion by Council Member Thiede to proclaim the month of May 2024 as Asian American and Pacific Islander Heritage Month; second by Council Member Khambata. Motion carried: 5-0.

7. CONSENT AGENDA

A. Approve the April 3, 2024 City Council Regular Meeting Minutes.
B. Approve the April 17, 2024 City Council Special Meeting Minutes.
C. Approve the April 27, 2024 City Council Regular Meeting Minutes.
D. Accept and place on file the minutes from the March 25, 2024 Planning Commission meeting.
E. Authorize issuance of a single-occasion gambling permit to Cynthia Lynn Bachradt on behalf of the Cottage Grove Lions Club to conduct a raffle at Carbone's Pizza (7155 Jorgensen Avenue South) on September 17, 2024.
F. Authorize issuance of a single-occasion gambling permit to Carrie Lynn Kapischke and Jacqueline Marie Larson on behalf of the Minnesota Foundation for Agriculture to conduct a raffle at River Oaks Golf Course (11099 Highway 61, Cottage Grove) on June 10, 2024, from 12:30 p.m. to 6:00 p.m.
G. Authorize issuance of a single-occasion gambling permit to Ruth Kay Linkenmeyer-Meirick on behalf of the Minnesota Foundation for Agriculture to conduct a raffle at River Oaks Golf Course (11099 Highway 61, Cottage Grove) on June 18, 2024 from 12:00 p.m. to 7:00 p.m.
H. Approve the issuance of a 3.2% On-Sale Malt Liquor License to Sreekanth Penmatso, Krishna Vasireddy, Kartheek Chandum, and Vijay Gadde, operating as Quantum Sports, LLC, at the location of 7900 West Point Douglas Road contingent upon the following: 1) Applicants shall obtain an occupancy permit from the City of Cottage Grove as well as all other permits necessary from other agencies, such as Washington County,

Minnesota Department of Health, etc. 2) State Restaurant License: Issuance of a restaurant license by the State of Minnesota. 3) San Jose Police Department Response: Receipt of a response from the San Jose Police Department regarding Vijay Gadde's background check with no information that could preclude the applicant from receiving a 3.2% On-Sale license. Following the fulfillment of these conditions, it is recommended full approval of the On-Site 3.2% Malt Liquor License for Quantum Sports, LLC.

I. Approve the issuance of rental licenses to the properties in the attached table.

J. Accept 1st Quarter Donations by Resolution 2024-079.

K. Approve the attached professional services agreement and authorize the City to expend approximately $30,000 on the legal services of Barna, Guzy & Steffen for the purposes of 2025 labor contract negotiations.

L. Authorize Resolution 2024-066 approving final payment to Ebert Construction in the amount of $23,464.68 for the Glacial Valley Park Building Project.

M. Authorize Resolution 2024-067 approving final payment to Wild Cat Cleaning Service, LLC, in the amount of $318.95 for the Glacial Valley Park Building Project.

N. 1) Adopt Ordinance No. 1081 amending Title 11, Zoning Regulations, subject to minor modifications by the City Attorney. 2) Adopt Ordinance No. 1082 repealing section 11-3-14, Signs, and replace with the enactment of Title 12 Sign Code, subject to minor modifications by the City Attorney.

O. Adopt Resolution 2024-068 supporting the City's Rural Surface Transportation Grant application for the County Road 19A & 100th Street Realignment Project.

P. Adopt Resolution 2024-076 approving the final payment in the amount of $70,870.00 to Hydro-Klean, LLC for the 2023 Televising and Cleaning Project associated with the 2024 Pavement Management Project for a total project amount of $115,016.09.

Q. Approve the Change Order on the Innsdale Water Tower Warranty Contract in the amount of $79,475.00 for the removal of staining, repairs to corrosion, and repairs to icing damage on the interior of the tank.

R. Adopt Resolution 2024-077 approving the plans and specifications and authorizing bidding after MnDOT approval for the TH 61 River Oaks RCUT.

S. Approve the First Amendment to the Yard Waste Facility Agreement with Rumpca Companies, Inc.

T. Adopt Resolution 2024-070 implementing the Title VI policy.

U. Adopt Resolution 2024-075 incorporating the Addendum into the EAW for the Mississippi Landing project and the Addendum's findings and recommendations are hereby accepted.

V. 1) Adopt Resolution 2024-073 approving the Mississippi Landing 1st Addition final plat, which is an approximate 52-acre residential development with 110 single-family lots. 2) Approve the Mississippi Landing Development Agreement with Rachel Development, Inc. and authorize execution of all easements, deeds, and agreements required for the plat and project. 3) Adopt Resolution 2024-074 approving the Mississippi Landing 1st Addition Development Plans dated March 20, 2024, prepared by Alliant Engineering, and as modified by request of the City Engineer.

None of the Council Members wished to pull any Items on the Consent Agenda for further discussion and/or approval.

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

8. APPROVE DISBURSEMENTS

A. Approve payments for the period of 4-12-2024 through 4-25-2024 in the amount of $1,844,205.68.

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

9. PUBLIC HEARINGS - None.

10. BID AWARDS

A. Utility/Engineering Building & Low Zone Water Treatment Plant Fiber Optic Cable Project - Bid Award
Staff Recommendation: Adopt Resolution 2024-069 awarding the Utility/Engineering Building and Low Zone Water Treatment Plant Fiber Optic Cable Project to Castrejon Incorporated in the amount of $200,671.20.

Director Burfeind stated we accepted bids on April 18, 2024, for this project. This is a fiber optic that is going to serve both of those new facilities in Cottage Grove, and we're going to get it there from our Public Works facility; so, the City fiber goes from City Hall to Public Works at this point. So, this will be like a directional drilling type project to get that fiber down Jamaica, 100th, and Ideal Avenue to really serve from an internet connectivity perspective; but also, our SKADA system that runs our entire water system, sewer system is also going to be really housed in that new treatment plant, and this will provide that good City-owned fiber connectivity for that system.

We had six bids that were received; the low bid by Castrejon Incorporated was under our Engineer's Estimate of $210,000. In terms of this contractor and past performance in working with them, as we don't do a lot of directional drilling and fiber utility type projects like this, they haven't been a prime contractor. In terms of a lot of our bigger projects for streetlighting, they've done a lot of work in town as a subcontractor on those larger projects. So, we have a lot of familiarity with this contractor in the past.

Director Burfeind stated he'll stand for any questions.

Council Member Khambata stated he saw a couple of erroneous outliers in the bidding schedule; can you make any interpretations of those?

Director Burfeind stated looking at those, we talked to our designer, who really has more experience with this industry. There is a lot of work in this industry right now because of all the grants for fiber; not this type of fiber, but like citywide fiber for internet connectivity and in rural areas. So, my understanding is this industry is just very swamped, and there are a lot of contractors that have workloads that are extremely full. They still are bidding on projects I think just because if maybe there's not a lot of bidders, there's not a lot of competition, they might get a project with a really high bid is my understanding. I'm very comfortable with our price and where our Engineer's Estimate was; I'm happy that we had a contractor that had availability to fit this project in.

Motion by Council Member Thiede to Adopt Resolution 2024-069 awarding the Utility/Engineering Building and Low Zone Water Treatment Plant Fiber Optic Cable Project to Castrejon Incorporated, in the amount of $200,671.20; second by Council Member Khambata. Motion carried: 5-0.

11. REGULAR AGENDA

A. ISD 833 Transportation Facility - Preliminary Plat, Final Plat, Site Plan Review
Staff Recommendation: 1) Adopt Resolution 2024-071 approving the Preliminary and Final Plat to be called SWCSD Transportation Facility in order to combine the lot located at 8585 West Point Douglas Road South and the lot located at 8587 West Point Douglas Road South into one platted lot. 2) Adopt Resolution 2024-072 to approve the Site Plan Review to install one new 20,000 gallon above-ground fuel tank and associated pump(s).

Conner Jakes, Associate Planner, gave information on the following: <u>Location</u>: The subject site is located along West Point Douglas Road South: To the west of the subject site is the Capp Industries owned parcel, they currently have one building constructed. To the south is the CP Rail, and to the northeast is the Glengrove Business Center, just for reference, that currently houses the Bulletin License Center. <u>Background/Zoning</u>: Site consists of two lots, highlighted on the screen before you, both are zoned P-B, Planned Business. <u>8585 West Point Douglas Road</u>: That site was originally constructed in the 1970s, prior to current development standards that we see in Code today with impervious surface coverage, open space, setbacks, uses, etc. From an aerial image, it appears that that site doesn't meet a lot of current-day standards. The legal description for that property is currently Metes & Bounds, which will come into play when we talk about the Preliminary and Final Plat. 8587 West Point Douglas Road: The site on the east was constructed in 2001 and met the standards of approval at that time. In 2001, we had many of the current-day standards that are in place today. That's why from the aerial view, it does appear and does meet a lot of the current-day standards. That parcel was platted with the Glengrove business addition. I want to note that expansion in 2001 received approvals of a Site Plan Review and Conditional Use Permit to expand that nonconforming use from the orange parcel, since that was the original one, to that parcel to the east. That brings us to present day.

The applicant is proposing a Preliminary and Final Plat to combine those two lots into one. The applicant went to Washington County to submit a lot merger application, which the applicant can do without Council approval since it's a simple combination of two lots; in this case, Washington County noted the western lot is currently Metes & Bounds, and the eastern lot was platted. So, in order to combine those lots, they have to submit a new plat that shows them combined. That's the reason for the Preliminary and Final Plat that's before you. I want to note that staff is taking the opportunity to plat the various easements on that plat as well, just to bring it up to modern-day standards and for easier documentation.

Site Plan Review: This is before you to remove the two existing below ground fuel tanks and to install one new above ground fuel tank. An image of the proposed fuel tank is on the screen before you. Again, I just want to make note that fuel tank would be at grade, so not raised up or anything. There is sufficient screening from West Point Douglas Road to really negate any potential visual impact from moving that from below ground to an above-ground tank. That screening comes from a stormwater pond here, but the applicant is proposing additional landscaping to really screen that; there's an existing office building that would fully block that fuel tank, as the height of the fuel tank is less than the existing office building. Site Access: Is off West Point Douglas Road; there are currently three access points, two are secure with a rolling gate to deter any unauthorized access to the bus garage parking area. The easternmost access is for employee parking, which is in the southeast of the site. There are no additional accesses proposed with this application. Parking: Currently, on site there are 203 parking stalls. The applicant is proposing a total of 166 stalls, which is a removal of 37; however, in conversations with the applicant, they believe the 166 stalls proposed would be sufficient as there are currently 125 staff members. So, that would provide 41 extra stalls for potential future growth, if and when that occurs, and it will just be sufficient to serve the current use on site. Trash Enclosure: The applicant is also taking this opportunity to beautify the site and bring it up to current-day standards with the trash enclosure. Currently, their receptacles are not within an enclosure, so they will be constructing this enclosure that meets all applicable standards from City Code.

Landscaping: The applicant also did a detailed landscape plan that meets all City standards. The proposed planting numbers align with the planned district standards and meet all other applicable Code standards for landscaping.

Associate Planner Jakes stated unfortunately, the applicant was not able to be here tonight, but staff is here for any questions.

Council Member Olsen stated this looks like a fairly straightforward project. I'm going to ask a question that you might not know the answer to; I was really hoping the applicant would be here for me to ask this question. Having worked in the fuel business for many years, one of the things I learned was that sometimes those underground tanks aren't as sturdy as we'd like them to be. Do you happen to know how old these underground tanks are?

Associate Planner Jakes replied I don't know that.

Council Member Olsen stated that's okay, trust me, I wasn't sure that you'd know. Maybe that's something we can find out from the applicant. But the bigger challenge is fuel tank monitoring underground is kind of a tough thing to do, but there are various methods behind how you monitor for things like leaks, etc. As tank technology has gotten better, from double-wall tanks to triple-wall tanks to different sorts of materials, so underground leakage has been really mitigated to almost 100%; but if these are older tanks, then they may not have the new technology, hence, the reason I asked. But I assume there's a plan in place for any sort of environmental mitigation that would be related to the removal of these tanks. Have you guys talked about that with the district?

Associate Planner Jakes replied yes, that's actually in their contingency plan. They have funds set aside so if they do run into contamination when they remove those tanks, they would dip into that plan and then follow the MPCA standards if they came across potential contamination.

Council Member Olsen stated usually when it happens with these older tanks, it's contained to a pretty small area and it doesn't perk into the groundwater or anything like that, but it does require some mitigation. So, that's why I asked, thanks very much for that.

Motion by Council Member Khambata to Adopt Resolution 2024-071 approving the Preliminary and Final Plat to be called SWCSD Transportation Facility, in order to combine the lot located at 8585 West Point Douglas Road South and the lot located at 8587 West Point Douglas Road South into one platted lot; second by Council Member Garza. Motion carried: 5-0.

Motion by Council Member Thiede to Adopt Resolution 2024-072 to approve the Site Plan Review to install one new 20,000 gallon above-ground fuel tank and associated pump(s); second by Council Member Khambata. Motion carried: 5-0.

12. COUNCIL COMMENTS AND REQUESTS

Council Member Khambata stated I just wanted to again thank staff and our Public Safety for all their hard work and dedication.

I also wanted to highlight for anyone who's watching, River Oaks has several events coming up that might be of note. We're getting into the time of year where Cottage Grove Recreation Department is going to start filling softball leagues and some other summer activities. So, anybody who's interested can go to the City's website at Cottagegrovemn.gov or River Oaks' website at riveroaksmunigolf.com and check out some of our upcoming events.

Council Member Olsen stated he had three things for the public today: 1) If you did not have the opportunity to attend this year's Community Showcase, which is put on by the Cottage Grove Area Chamber of Commerce, you definitely missed out. It was a fantastic day, great crowd, several of us were able to be there moving around and talking to people. We were able to answer lots of questions about the Local Option Sales Tax proposal for this year, and we also had lots of questions on various road projects, etc. So, I just wanted to take a moment to thank Laurie Levine and all of the members of the Chamber, who put so much hard work and effort into putting on the Community Showcase this year. It's recently been held at Park High School, and I thought it went off very, very well. So, thanks again to the Chamber for that. 2) We are in the month of May. As you heard earlier from the various proclamations, there's a lot going on in May. May is a busy month, and we're moving into a busy summer. Two items I was hoping people might put on their calendar: May 27, Memorial Day, here at City Hall, in front of the Veterans Memorial out front, at 10:00 a.m., our Mississippi River Valley Beyond the Yellow Ribbon team will be putting on our Memorial Day event. Usually, the event lasts about 45 minutes, and this year's theme will be "A Salute to our Vietnam Veterans." So, we're really going to spend some time at the event with our Vietnam vets, as we're starting to lose some of those folks, and we want to make sure that they are honored appropriately for their service and sacrifice. So, please join us May 27, 10:00 a.m., in front of City Hall for the Memorial Day event. We have some great speakers lined up for you, and it's certainly going to be a very moving event, as it is every year. 3) On the topic of Beyond the Yellow Ribbon, the things that we do sometimes cost us money, so we have to fundraise. We're always very grateful for the generous donations that come our way. It just so happens we have a fundraiser set up for this coming Saturday, May 4, at noon; this will be at Junction 70, and we're going to be playing Designer Purse Bingo and then there are several other really great prizes that are available for people should they choose to play. Please join us on Saturday, at noon, at Junction 70, for Bingo. The way this works is you actually pay a flat fee, and when you pay that fee, you're able to play all the games; so, there's several different iterations of the Bingo, crisscross, fill your board, etc. So, you get to play lots of games, there's going to be some great food and drinks available, Junction 70 is a beautiful facility. It certainly would help us out with our Beyond the Yellow Ribbon team and our fundraising so that we can continue to put on great events, like Memorial Day, and we can continue to support our veterans, our service members, and their families.

Council Member Thiede stated the one thing I'll mention here is I think it's now about seven-or-eight weeks until Strawberry Fest, June 20-23, so it's coming right up. We usually have our meetings the first and third Mondays of the month, but we're not having one this coming Monday. On May 20, we'll have another meeting at Carbone's, in the back room, and everybody's welcome to come. We still need volunteers for doing different things and helping out, even at Strawberry Fest, with things like manning the information booth or helping with different activities. By all means, I'd love to have you come by and participate.

Council Member Garza stated I'll just piggyback off of Council Member Thiede because they are looking for more candidates for the Strawberry Fest ambassadors. So, please, if you know of anyone who would be a good candidate, starting at age 8, they really are looking for candidates. There is a scholarship for the teenagers, age 15 or 16 on up, but it's a really awesome program, and the kids really learn a lot with the activities that they're in throughout the year and the places that they get to visit. So, if you know anyone, please spread the word and let them know we really need candidates for our ambassadors, boys or girls.

Council Member Thiede stated to comment on that, they really do represent the City of Cottage Grove as ambassadors, and they take the float to different events in different cities. So, it's a very good time for a lot of them, sometimes it gets pretty busy, but it's very important for the City of Cottage Grove to get out there and let everybody know how good we are.

Mayor Bailey stated at the last Council Meeting, we did a closed workshop session to do a performance evaluation with our City Administrator, Jennifer Levitt. Everything went very well, we are very happy with the conversations and the review, so thank you for that. I just wanted to let the public know what that was about.

Mayor Bailey stated Council Member Olsen mentioned the Community Showcase, which was fun. There were a lot of people there. We were giving feedback, and we heard a lot about roads, but the other big one was when is Kwik Trip opening; that was like one of the other big questions there.

Mayor Bailey stated I like to keep the public up to date, so, as you may or may not be aware, we have Strawberry Fest towards the end of June, and then we have the Fourth of July fireworks at Kingston Park. I'm very pleased to state that we currently have set in stone $20,000 of the $25,000 that I've been hoping that we'll get to; there's one I think we're going to get, but I can't announce it yet until they get their Board approval, which is typical. I definitely want to recognize Tennis Sanitation, NorthPoint, 3M, and Renewal by Andersen, as they all have pledged $5,000 towards the Fourth of July fireworks; our goal is to get to $25,000. Obviously, the Cottage Grove Lions put together some other things that go with the fireworks that night. I just wanted to personally thank those companies who have already pledged money for the fireworks. Hopefully, by the next Council Meeting, we'll have it all set, and I'll tell you who the fifth company is.

Mayor Bailey stated we have two workshops this evening, both are open to the public: The first is Intermediate Zone Water Treatment Plant Updates and Director Burfeind will be speaking on that; the second is the start of our Budget for next year, it always starts early, so we'll have early discussion about the budget. There is no workshop closed to the public this evening, so we won't be adjourning in here; we will join our staff and anybody in the audience who wants to come, and those will be in the Training Room. So, everybody have a great evening.

13. WORKSHOPS - OPEN TO PUBLIC

A. Intermediate Zone Water Treatment Plant Update
Staff Recommendation: Receive information on the Intermediate Zone Water Treatment Plant.

Director Burfeind stated this is really just the first touch point for the Council on this project specifically. I wanted a chance to get it before you before we continue to do other work and get further into the design. We have our joint meeting with Woodbury, we're both cities that are talking about this southern project. I want to give you a chance to see where we are today; we're wrapped up with the preliminary design stage, and we're working with the State to get a final design grant to really bring this project to fruition.

With the preliminary design done, we're able to do some initial renderings of the site layout for this project. He displayed a map of all of our different 3M Settlement projects that we're doing: The Low Zone Treatment Plant is under construction, and this Intermediate Zone Treatment Plant, which is going to be south of the Central Fire Station, is right there. You see this grouping of City wells, that's very close to it, and that was key in that location. We call it the Intermediate Zone plant because that's really what these wells are; Wells 11 and 12 are on the north side of town and they're going to be routed to this facility as well for treatment. It is serving both the high and intermediate zones, but that's really where it's going to be located, in the intermediate zone.

For an initial site layout, we have kind of ghosted in here what we're looking at for access and what this footprint is looking like. With this property, this treatment plant really has to go here because all seven of those wells that exist today, they all come to a 24-inch pipe right here and they all combine. So, this is the location where that treatment plant needs to be, but it's a challenging site: We have two water towers here, we have the Central Fire Station here, we have existing homes, and we also have really a lot of topography, along with the archery range and a big pond. So, we're trying to fit this treatment plant in, but we're also trying to make sure that we have space if someday we have water softening. You may wonder why are we tucking it this direction, when we really want to conserve area to have future water softening. If we plop this thing kind of right in the middle of the site, that would make a problem for that in the future, so that's where the location shook out with. For the main access to this facility, we're coming off of the Booster Station road, this is our Booster Station down here, for pumping to the high zone but also the archery range road is what we're looking at off of 81st Street. Really, like our Low Zone Treatment Plant, obviously construction is a big process, but once these are built, they're very hands off. You'll see staff coming once a day in a pickup just to monitor operations, make sure things are working correctly.

When you actually think about the treatment for PFAS, this one we're actually looking at Ion Exchange (IX), not Granular Activated Carbon (GAC). There are a couple reasons for that, one is the space; IX takes up less space, and amazingly, as that technology has evolved, if you remember we did a pilot study about four years ago. Even the cost has kind of flipped, even when we designed the Low Zone plant, GAC was still kind of a lower capital cost on the upfront and maybe long term the GAC media was cheaper. I asked and have actually got them cheaper as more and more projects are happening and such. So, we will have that new media, a new type of treatment that we found to be very effective, and it really is effective for the PFAS that's in these wells. There's actually a different type of PFAS that's a little more dominant in these wells that we know IX actually works better for. When we think about that media, it's actually being changed out maybe once every five-or-six years; so, that's when you have the semi come in and offload the new media. So, it's pretty unobtrusive. The other thing we have is chemical deliveries with the chlorine and the fluoride. We actually situated that up in this area because we're trying to get away from with residents is backup vapors; we don't want to have trucks with backup vapors, that's probably the most annoying thing that someone could hear. We had thought about situating it down here, but there's just no way to really turn around large vehicles; that would require kind of backing in and out. So, with this and a bypass road, we can have those chemical deliveries and such coming out. The other thing that we show right now, and I met with the Central Fire Station staff and the Chief, is just having an option for those very intermittent large vehicles to actually come out and go towards 80th Street, this way. Because if we don't do that, it becomes a huge challenge to try to turn around a semitruck; as you can imagine that, pulling through this bay and once every five years doing IX removal and then trying to back out. So, we would look at fencing there and then conceptually actually having a second driveway to 80th Street. Because if we do that, we do not want to have any impact on Central Fire Station operations, none whatsoever, and if they have some equipment set up here, we don't want to have any interference. Like I said, that's very intermittent; all of our day-to-day traffic is going to use 81st Street. So, that's something that we're looking at, kind of conceptually at this point.

Another thing we're going to work on is just the setbacks; so, this is a 100-foot setback, we're kind of treating this as if it were industrial. In the Business Park where you have industrial buildings right against a neighborhood, it's always a required 100-foot setback. So, that's something we have and we're leaving space and we could do berming and things like that to help reduce the impact to the residents.

So, here's our initial perspective, and here's what we showed today but some other thoughts that we have. This southwest perspective, right here, on the top, we'd be looking at this direction, and the northwest perspective is looking at this direction. So, right now, we're showing a lot of real brick/limestone, to match those features of the Central Fire Station. At least at this point, we still show more of the exposed aggregate, kind of two-tone architectural Tilt-Up panels; one thing we are also going to consider is like with the HERO Center gun range, it is a Tilt-Up panel, but it's like a precast brick form liner. I think that would match in really well with the Central Fire Station. We are cognizant of the fact that we're in a neighborhood, so this is different than the Low Zone Treatment Plant; we want to make sure that it's a good-looking building that we're putting in folks' back yard. So, that's some of the thoughts that we have, but otherwise this brick and this limestone is really meant to match some of the Central Fire Station components, as the Central Fire Station also has some of that gray stone that we'll also look to incorporate. So, that's what we looked at from a perspective standpoint.

This is a fairly tall building, the average height throughout here is about 30-to-32 feet; the Central Fire Station, for example, I think is about 26 feet, so this is a little bit taller. This building actually sits lower down in that valley by a few feet, so it's not something you're really going to see from 80th Street just to be aware of where it sits in that location.

Director Burfeind said if the Council has any initial feedback on what we're looking at, if you think we should look into more brick. Matching the Central Fire Station is a big goal for us, so, if that's something you agree with, we'll continue down that path. Just curious if there's any feedback on the architecture that you have.

Mayor Bailey stated I think it looks nice, and if you complement the Central Fire Station, I think that would be good. I'm assuming as you get closer to going to construction is your goal to have a little bit more intense berming on the residential side; Director Burfeind replied yes.

Council Member Thiede asked what's the taller portion, on the southwest perspective.

Director Burfeind replied that's the stairway access. So, if you look at the front of the Central Fire Station, that stairway access to the rough matches that height and kind of that look very closely. It is just such a large roof that we wanted to look at having more of a stairway access up there for different reasons, and not just more like a ship's ladder type situation. So, that's what that's showing right now.

Council Member Thiede stated I take it that southwest perspective, that's considered the front of the building, which Director Burfeind confirmed.

Director Burfeind stated another thing with that setback, when I mentioned 100 feet, there's some power lines there and a City watermain, so that's another thing that 100-foot setback is really going to give us space to create a really nice berm. As you saw on the site layout, there are no driveways on that side, nothing, so we're trying to make that pretty passive for the residents.

Council Member Thiede asked so when this gets up and running, does that take out some of those filtered space, like this has one right to the south there.

Director Burfeind replied that's correct. So, we have two in a low zone, that will go away after this year or next year when that plant's operational. And we have five in the intermediate and high zones that this will take out. The ones that we're actually just building now, those tanks will actually go into this facility, which is really the bulk of the cost of those. That's what we were able to work out with the State is we were reusing those tanks, so we will actually be able to move them right into this building, even after its up. We won't need to set them ahead of time, this building where the tanks go is in here, and there's actually like a hoist system in there that we can put those tanks in place.

Council Member Olsen stated as we had talked through this project from kind of concept to groundbreaking, one of the key points of benefit, I think, has been the ability to house personnel in such a way that it provides some relief to the current Public Works facility. As we continue to take some of these temporary treatment plants offline and we continue to push everything here, what do you see as the head count that's going to exist in this building and what's its capacity.

Director Burfeind replied right now, initially, just the way our division is laid out, we had plans on the space to staff those water treatment personnel kind of more into vocational locker rooms and such because we have two buildings out of that new Utility Building; the State has planned to cost share in part of that building to account for that. We are looking long term, though, with two buildings. If we had one treatment plant, I think we would probably house the staff out of that treatment plant, knowing they're going to have to drive back and forth. But you know these facilities are really large, they're actually pretty hands off, they're very automated; all the operations and the pre-treatment, taking out the iron and manganese, that's all an automated system, and more of it is just checking in. So, though we are going to look at this building, thinking long term, that division would probably have about five people, in full buildout, there's 62. As we're fully constructed, maybe we have a third treatment plant some day in East Cottage Grove, so we are looking at is there options for staff in the long term in this facility as well. We don't want to be shortsighted on that standpoint, but for now, they'll work out of the Utility Building; and then long term, we'll look at these options as well.

Council Member Garza stated with that, you said there's maybe five people that may work in this facility. As far as the traffic, on the 81st side, that's the residential side, so there's five employees, but is there any other type of trucking and stuff that would happen daily, weekly? Is it going to be impactful to that community, are they going to have a lot of trucks, what's that going to do to the residents?

Director Burfeind replied construction is going to be the most obtrusive part; that's something that we haven't talked about yet. Are there options to come off of 80th Street with a southern access for construction traffic? That's something we want to look at, but we're just very aware that's the Central Fire Station and we just can't be impacting that operation. So, certainly that would be less impact to the residents if we can come off of 80th Street. In terms of the road condition, these roads are actually very old, thin overlays, so they're not on the pavement management cycle yet, but they are all ready for a full pavement/full curb replacement. So, if the construction traffic does come this way, we're not looking at any change in making those roads worse sooner because they're in need of a pavement management in the next five-to-six years, regardless, so that times out really well.

Council Member Garza stated I'm more concerned about the residents that actually live in the area and having the noise all day and that type of thing. I'm wondering what that impact would be for the residents.

Director Burfeind replied that would be really the construction. Once they're operational, I'd say five staff long term, and that's even not necessarily every day. There's probably only one-or-two people reporting in a standard pickup to this daily, so very small. I guess the treatment media exchanges, that's like once every five-to-six years. It's more our chemical deliveries; those can be more of a small box truck, kind of like a delivery truck if you're getting furniture at your house or something. In the summer, though, it gets to be like once a week just because we burn through more chemicals. Once again, it's one small truck in a week, so definitely not much for operations.

Director Burfeind stated I just have a few other perspectives; this is from the four different sides, you can see a person standing there, kind of a height comparison. These are the initial renderings, as we look at more workshops, probably a final plan workshop with Council with more information. I won't go into these in detail, but this will kind of show this treatment plant is very complicated; it's a fun and exciting undertaking, but it's just a real challenge. As you look at these different levels, we have the basement level with really big tanks, and we're taking advantage of that valley that's out there; we'll actually have those tanks in that valley, so we're not having to dig so far down, we're using the grade that exists to really make it more efficient. This is the main level, where you walk in with the PFAS treatments and all of our big gravity pretreatment, there's just a lot happening. I think as we get into more final design workshops, we'll have this bussed out really well, and we can have some examples and maybe even some 3D renderings of what the inside of the building would look like. There is actually a second level, because with the way the iron and manganese treatment works, it's a little different than the low zone. It's just such a big facility, this one's about three times the capacity of the one in the low zone; so, it's a much larger facility. We're using a little different method that just kind of requires more height in that building, which is what this upper level is for.

Schedule: We have the workshop today, then in the summer we're looking at having a Neighborhood Meeting with the residents; we had a mailer that went out to them in February to specifically show where this treatment plant is going, what we're doing, what they could expect in the next few months. We are looking at the Planning Commission in September for a Site Plan Review and then Preliminary Plat; we are looking to plat, we want to make the new plat of record, as right now it's just one big lot for the entire Pine Tree Pond Park. Then we'll be before Council for that Site Plan Review in October. November bidding is kind of in flux right now; we're really looking to start construction in 2025, so depending on how all of our plan reviews with the State agencies go, November into early 2025 bidding I think is going to work well for us.

Director Burfeind stated one thing I will say, since we've been trying to get a handle on this, this is a big facility, we're probably looking at about $100M, that's going to be the Engineer's Estimate. It is by far just the most expensive thing we've ever undertaken; the Low Zone Treatment Plant went about $40M for a bid, and we knew this one would be about 2.5 times the size, the State is aware of that, no surprises. It's an extremely expensive facility, so I think we're extremely fortunate that we have the State funding to pay for this project, as it would be an extreme challenge without that. That's just kind of our rough number, I don't have it written down yet, but it is something that we've been working with the State on with that final design grant.

Council Member Khambata asked so if this is in conjunction with the State, who gets the final say on some of the design logistics.

Director Burfeind replied so they're really letting us focus on it. It is our treatment plant, so they want us to design it. They understand that we have zoning standards, architectural standards, and they know we need to meet those. What they're really looking at is what's the capacity; it's a 14.5 million gallons per day facility, they're making sure we're doing that. They don't want us going above that because that's what's been approved, and really how we're going to do the treatment; those are all the components that they've agreed to, that's what they're going to be looking at. We are really leading the design of our facility.

Council Member Olsen asked does a facility like this use the same SKADA software that you use for the others?

Director Burfeind replied yes, that all used the same.

Council Member Olsen asked from a security perspective, are we comfortable with that?

Director Burfeind replied definitely, yes. This new SKADA system that we're working on right now that will control it, that will be up and running in the next two years. It's definitely going to be top notch; we're actually working closely with our IT Department on it. That's where we're really fortunate, as there are a lot of cities where the Utility Departments don't even want their IT people touching their water treatment plants; I think it's odd. Our IT people are hyper-security gurus, so Jason in our IT Department is hand in hand really working on this project.

Mayor Bailey stated I know when we first talked about this, one of the things that we were questioning and I was in a couple meetings, workshops, etc., not with Council, but with others. It had to do with the fact that we're taking part of this park land and making it into a public use; we had talked about replacing it or replacement in kind with cash, maybe doing something for the neighborhood there in the parks. Is that still our plan?

City Administrator Jennifer Levitt replied that's also one of the reasons why we're platting it, so that we can actually define the amount of area that was taken so that we can negotiate that as part of the 3M Settlement Fund for the financial compensation for that loss.

Director Burfeind stated I should have introduced Lee Mann, of Stantec, he's our lead project manager on all of our settlement projects. He came here tonight just to be here for this discussion.

B. Budget Workshop
Staff Recommendation: City Council discussion and direction regarding the 2025 Budget.

Brenda Malinowski, Finance Director, stated this is the first of several budget workshops for 2025. Tonight, we're just going to do a brief overview; there was a memo in the packet that kind of outlined some of the history and the detail. Tonight we'll talk about that historical tax review, and we'll dive into our Internal Service Funds. Joe Fischbach, HR Manager, will do a benefits overview. We'll talk about the FMP that we did in 2022, and then, most importantly, we need Council to help us prioritize some information as we move forward in our budget cycle.

Director Malinowski stated we work on the budget almost all year long, so here we are on May 1, starting with this budget kickoff. We'll turn around with the departments on Monday, they'll get their materials, and they'll put in their budget requests through the month of May. At the end of June, we'll do some budget internal meetings to clarify the requests. We'll come back to Council in July for two budget workshops. As a reminder, they are on Wednesdays, different than the Council Meeting nights, so, those are on July 24 and 31. Then we'll have one final workshop with Council on August 28, because that will be the first time that we get some final numbers from Washington County; as you adopt the preliminary levy in September, you'll have those numbers.

<u>Property Tax Levy History</u> (Since 2014 to 2025): We are right now at an 11.93% increase; our Financial Management Plan (FMP) stated about 12.43%. We've trended up the last three years and that was because of inflation in 2023 and 2024, and 2025 is now, as we work through information that we've learned during the FMP process. <u>Tax Capacity</u>: That is first of all the market value set by the Washington County Assessors. Based on that, they calculate the Tax Capacity. We've had really gradual increases until 2023 and 2024, when we had really rapid increases that was due to construction, but a lot of it was from appreciation of those existing homes. This year we're flat. Because of that flat Tax Capacity, we take our Property Tax Levy divided by that Tax Capacity to get our City Tax rate; we are trending up for 2025, 37.928%. We are very early in the process, but just to point out that prior to 2020, our Property Tax Rates had been higher. <u>Financial Management Plan</u>: This has been revised as of 4-29 with the information that we have from Washington County. We look at our five sample properties, but our median home when we did the FMP, we targeted that $100 per year increase; this current year we are lower than that, as 2025 right now is about $101 on that median home. <u>Internal Service Funds</u>: As we did the FMP in 2022, we took a hard look at our Internal Service Funds. Internal Service Funds we've been using some cash; using cash in an Internal Service Fund is okay. What happens with our Internal Service Funds is they only serve the needs of our internal departments; for example, in our insurance fund, we pay for our workers' comp premium, we pay for our health insurance, we pay for our property insurance. The reason to have an Internal Service Fund is so that we can control the increases on our property tax levies; so, if we have a workers' comp premium that comes in at 25%, we can trend that into our levy for the next couple of years. So, that's what has been happening a lot in prior years. When we looked at the FMP, we said how do we return our Internal Service Funds back to a positive cash balance; so, we're starting to do that. The gray is our IT Internal Service Fund, and as you can see, in 2023, we actually went to a positive cash balance in that fund. So, we're funding those current operations, and we're actually building up our cash. In 2025, we have a capital project, so that will bring it down a little bit, but then as we look in the future, we're building that cash balance back up to fund those capital costs. In the insurance bunch, we've been bringing that down. We couldn't solve each Internal Service Fund each year, we said we would do one per year. So, in 2023, we

solved IT, 2024 is the turn for self-insurance, and so that's starting to trend up. While we kept going negative, negative, negative, the great thing about 2023 is we didn't take any more cash out of the fund, and so we'll trend that up; as we look at 2032, we get positive in that fund, too.

Director Malinowski stated she'll turn it over to Manager Fischbach, who will speak about employee benefits.

Manager Fischbach stated when we talk about benefits, for the most part we're talking about fulltime employees. Health Insurance: If you look at our health insurance, we have a staffing plan where it looks like the deductible is $4,500 and out-of-pocket max is $5,800 for a single person; the City covers anything over $2,500 with an HRA. So, we get our claims data through our third-party vendor every week, and anything over $2,500 is reimbursed to the employee through the HRA. We put $1,400 into the employee's HSA, one time in January and then one time in July. So, if you look at the $2,500 deductible, it looks like the out-of-pocket max is $1,100 for an employee. For anybody beyond single, so single plus spouse, single plus children, or a family, it would be $2,800; so, the out-of-pocket max for them would be $2,200. You can see the cost sharing that they have for the premium. So, for single plus one, single plus children, and family, it's 70% of the premium is what they pay, and it's divided out, so two pay periods each month they pay. If we have a third pay period in a month, no premium gets taken out for those two. Health insurance is our most expensive benefit that we offer, and I'll get into costs regarding that. For health insurance, we have to do a formal RFP every three years, per the State. We are doing a 2025 formal RFP, that's our year. So, our benefits broker will go to all of the big players in the market (Medica, Blue Cross Blue Shield, Health Partners) and ask them to bid on our health insurance plan. We pay $111,000 every month in City premium; of that, the employees' share is $21,000, and the City covers the rest. We pay out to City employees, through Optum Bank who runs our HSA, $300,000 in January and July. In 2023, we paid $195,000 in claims to the HRA staffing plan. If you look at a ten-year history of our premiums, our premium has actually gone up 8.3% over the ten years. The current trend in the market is 8% each year, so we're doing relatively well compared to the market, it's actually exceptional when we think about 8.3% over that entire amount of time. The big thing with that is the staffing plan. The health insurance company doesn't actually see claims until they reach $4,500, so that helps keep the premiums down. Obviously, what we pay in HRA claims isn't too bad when you look at how many employees we have, about 160 per month on our plan, plus family members. Health Flexible Spending Account: So if somebody is on the HSA, we offer limited vision and dental if people want to fund that, it's just a tax benefit and $5,000 in dependent care. We probably have ten employees who take advantage of that each year. Employee Recognition Program: We run an employee recognition program, so we actually just revamped this two years ago; we added five years to the recognition policy, and then we upped the monetary amounts a little bit. We have two service lunches per year; usually the first half is sometime in March and sometime in September or October for people getting a service award July through December. Everybody gets a recognition plaque that they can put in their office, in their workspace, or whatever they want to do with it. Dental: We have a standard dental plan,

$2,000 annual benefit for each covered member. The City covers 100% of the premium for single, and the difference between $107 and $50 for employee plus spouse, or employee plus one child; the family premium is about $100 per month for family coverage. PERA: Per State law, we participate in PERA, and everybody participates on a pretax contribution; the employee pays 6.5% and then the City contributes 7.5% for the General Plan, and 11.3% for the employee and 16.95% for the City for those in the Police and Fire Plan. People that are part of the City are vested in PERA after they contribute for three years; it used to be three, then they upped it to five, and then they dropped it back down to three again. So, once you have three years of service, you're eligible for a pension once you reach retirement age. We also provide supplemental retirement options if people are so inclined; we offer a 457 Deferred Comp, comparable to a 401K, we do a Roth 457 and a Roth IRA. You can participate in one, both, all of them, and those are 100% employee contributions. Health Care Savings Plan: This is run by the State; it's pretax contribution, basically it's the same for health insurance premiums, copays, etc. when somebody leaves City employment, hopefully if they retire from here. So, we contribute 1% of their wages and it varies by bargaining group. A lot of people, like the 49ers Union, put 100% of their annual leave when they leave into this to help pay for those premium costs. Short-Term Disability Plan: This is funded by the City. It starts on the 21st day and it goes up to 90 days. So, if you're injured or ill, outside of work, it pays 100% of your wages. The waiting period is 21 days, but we offer a disability program where the first 10 days are covered by the City with a disability bank; so, every new employee starts with 25 hours and gets 1 hour every pay period until they reach the 80 hours or 10 days. Long-Term Disability Program: So, if somebody is out for a longer term than the 90 days, we offer this disability program. That's run through standard insurance, it covers starting on the 91st calendar day, so there's a little overlap between short term and long term, and we just coordinate the benefit. It covers 60% of your income, and there's no income tax on that, so it's about what your take-home pay would be. The premium is based on age and income; like everything else, the older you get the more expensive it is. We negotiated with the Police Officers and Sergeants Union that the City pays their long-term disability premium. Paid Parental Leave: This is something that we implemented in the last two years. So, once you pass probation, you're eligible for this. You get up to 160 hours of paid leave, and then a birthing parent may use up to another 4 additional weeks, for 8 total, and then they can use another 2 weeks of their disability bank, if they want to, for 10 weeks total. If you're not the birthing parent, you get 160 hours, so 4 weeks, and we let people have up to one year to use this benefit. So, if one spouse or family member stays home with the new child, this person could defer it and they have a year to use it. We have people who use it intermittently, we have some that use 160 hours right away, it all depends on the personal circumstance. Life Insurance: Most of our employees get one time their base salary that the City pays for life insurance. Police and Sergeants get $20,000 in life insurance paid by the City, and then employees can choose up to $500,000 more if they want to. These amounts are all double if it's an accidental death or dismemberment; so, if it's a natural death, it's just that base amount, but an accident is double. We have a secondary PERA option where it's a straight $16 a month and the benefit reduces as you get older. We have Aflac here, we have optional accidental, hospital, cancer, and vision plan, and those are paid by the employee if they want that. Pet Insurance: We also negotiated with a pet insurance company, that's new this year. We get preferred rates for the pet insurance, and if the employee chooses to take this one, they just pay the company directly through direct deposit. Bereavement Leave: Covers up to 3 shifts; police officers usually work more than 8 hours, so it covers their whole shift, not just 8 hours, up to 3 shifts paid for the death of a covered family member. A covered family member is immediate family. Annual Leave: We have what is called annual leave, we don't have separate sick and vacation leave, most people call it PTO (Paid Time Off). We have been giving people credit if they bring relevant experience from either a different city or a different private sector employer. So, new hires start with 40 hours, and if they don't make probation for whatever reason, they don't get the 40 hours paid out. No employees can carry over more than 264 hours from year to year; they can go over that amount, they just can't be above it at the end of the year. Holidays: We have 12 paid holidays and 1 floating holiday to use at the employee's discretion. Police officers and sergeants work 24/7, so, they just get credit for those 96 hours and then they get paid two 60-hour holiday checks, one in June and one in December. The firefighters, since they also work 24/7, they just have their holidays rolled into their annual leave accrual; so, it's a little higher for them since they work holidays.

Manager Fischbach stated that's what he has for benefits; he asked if there were any questions:

Council Member Thiede stated with annual leave, it says 0 to 4 years; is that 1 through 4 years, because new hires get 40 hours.

Manager Fischbach replied new hires get 40 hours at the start, and then we do it by pay period. So, 152 divided by 26, and they get whatever that amount is every pay period.

Council Member Olsen asked if the LOGIS Consortium is still doing health insurance.

Manager Fischbach replied I'd have to double check again, but I think so.

Council Member Olsen asked when's the last time we looked at that?

Manager Fischbach replied probably five years ago. Their premium's probably double what ours is.

Council Member Olsen asked do you think so? Manager Fischbach replied yes. Because you have to be a member of LOGIS, don't you, to even take advantage of their offerings?

Manager Fischbach replied it used to be that way, but I think they're letting people compare because there was a lot of cities that were healthy and they were leaving LOGIS, so basically the unhealthy groups were left. So, they tried to bring in other cities because they wanted to increase their population pool.

Council Member Olsen stated if and when we go looking, does it make sense to just check and see what they're giving?

Manager Fischbach replied our RFP team will see what's in the market.

Mayor Bailey thanked Manager Fischbach for his information.

Director Malinowski stated I wanted to review the FMP a little bit more. So, that plan, remember it included all our operating, looked at our equipment replacement needs, we looked at our capital projects for the next ten years. Those projects that we were going to be issuing debt for that we're getting paid back with property taxes. So, that's what we looked at; the consensus at that time was $100 per year tax increase so that we didn't have large spikes in that tax increase, and that is on a median home.

Also, in the FMP to achieve that $100 per year increase, we looked at opportunities in our other funds; one of the funds that we looked at is our Closed Debt Fund. When we are finished paying off a bond, we make that final payment, just like a mortgage, and there might be some cash in that fund, and we close that into the Closed Debt Fund. So, we put positive cash in there. Our General Fund Policy is if we have a surplus in our General Fund at the end of the year, it's allocated out to other funds, one of those being the Closed Debt Fund, and so we accumulate cash there. At the end of 2023, we've got about $2.2 million in that Closed Debt Fund. In the FMP, in order to keep that $100 tax increase per year, we are utilizing that Closed Debt Fund each year; in 2024, we're using $100,000, next year, 2025, in the FMP, we're using $300,000. So, at the end, in 2032, we are down to zero cash. We'll review this each year because if there are funds that come into the General Fund from a surplus, we would start to build that back up, and we can review that. So, we look at that each year.

Other things to remember in the FMP, we looked at decertification of the TIF Districts. Specifically, TIF District 1-12, we made the final bond payment, and this is a picture of where TIF 1-12 is, in the Gateway Area North. We made that final bond payment in February, we're making the final Pay Go payment in August, and so our debt is paid off in the fund. So, we're going to be decertifying that early; it had a decertification date of 2028. What that will do with the decertification of 1-12, 1-15, and 1-18, we'll be adding about $1.6M onto our Tax Capacity. Just as a reminder, too, we will not be the only ones feeling that, the School District and the County will be feeling that also.

On the EDA and HRA Levy in the FMP, there was consensus that we wanted to start increasing the Property Tax Levy for housing and redevelopment activities. We get up to $2M in 2032, we're just starting out now; but what made sense with an HRA Levy is it's a separate line on our Property Tax statement, so, it's more transparent to our taxpayers of what that money is paying for, and it'll be paying for housing and redevelopment activities. So, since we're starting to need to do some of those redevelopment activities, it makes sense to do that separate levy. In 2024, the EDA Levy was $275K; in the FMP, we've targeted $325K, and so we'll look at how much of that levy is for EDA activities so that will stay with the EDA and then HRA activities. So, we'll work through that with the budget plan.

Council Member Thiede asked where does that show up on the tax?

Director Malinowski stated it will be a separate line.

Council Member Thiede said well, you said for 2024 it was $275K.

Director Malinowski stated that's the EDA Levy; so, that's in our City of Cottage Grove levy. When we start doing HRA levies in 2025, that portion will be broken out.

Director Malinowski stated we had the one-time Public Safety Aid of $1.7M back in December. As we worked through the 2024 budget, this is what we identified for the use of those funds: We were able to hire two police officers, three firefighter-paramedics, we used money for our Fire Staffing Plan; so, we're going to utilize about $716K. In 2025, we're going to utilize about $793K. Just a reminder, as that falls off in 2026, that's when we'll start to see the levy impact of those. Through the budget process, we'll be talking about those SCBAs for Fire, $450K; there's been discussion that we might have grant opportunities and so maybe those dollars will be reallocated to positions in the Public Safety Department.

Director Malinowski stated with that, I will stand for any questions, and then most importantly, we have a piece of paper in front of you; it was in the memo, things that we need Council's feedback on because we know that there's going to be limited funds in the budget for other things. So, we'd like your help in prioritizing initiatives in our budget cycle.

Administrator Levitt stated Mayor and Council, I think the biggest thing, as Brenda and I meet with staff in June, and we prepare our budget for you, we're really asking for you to prioritize; is it salaries, is it capital, is it employees, is it reduction in level of service? What are the priorities, and how do you want us to target the budget? That will give Brenda and I guidance and the directors will hear it directly from you and how that prioritization will work.

Council Member Thiede stated I would say probably the Kingston Park building, and some of those kind of things that may not necessarily be an immediate necessity, in terms of not doing any of that.

Council Member Garza stated I don't think we want to reduce our level of service completely.

Council Member Khambata stated so, in terms of level of service reductions, would that be kind of, rather than doing a salary freeze, having to reduce staffing levels; would leaving nonessential positions open to free up enough money in our budget to kind of reallocate for one essential position that becomes available that needs to be funded?

Administrator Levitt replied that or your commodities could be reduced as well, so, usually, we give a 2-to-3% commodity adjustment. If you want a reduced level of service, I'll just pick on Zac, because this one was brought to my attention. Porta Potties are going up, going to be double this year from where it was last year. We can reduce the amount of Porta Potties that we put out to maintain it, but your level of service will reduce. Those are the types of commodity things that we can do to reduce a level of service but bring it in on budget.

Council Member Khambata stated some of these things we're going to end up regretting cutting, for instance, equipment capital. The longer we defer new equipment, the more expensive it's going to get. So, I think some of these things might need to be addressed in like real time with regard to equipment capital, bidding, and so on. For a while, the cost of an ambulance doubled in three years; I guess I'd like to see kind of the trajectory on some of that stuff before determining if we're going to defer away some of those types of acquisitions.

Council Member Thiede stated there are certain things that if we're looking at a replacement just because the number of years are up, then that doesn't sit too well with me. If it's truly looking at it and as I've said before, sometimes you get lemons, sometimes you get peaches; you've got to take a look at what equipment is really costing and so forth. That is one area that we can use something a little longer; I know we do a good job anyway, but that would be one area. Again, like it or not, the pavement management I know it always gets more costly, depending on how bad things are, put that off a year or something like that.

Council Member Khambata asked how has the cost of Debt Service with interest rates rising in regard to bonding, how does that Debt Service cost compare to what we had anticipated in our FMP?

Director Malinowski replied we're okay compared to the FMP. So, we made very conservative high interest rate assumptions when we did the FMP, and so we're okay so far. In addition, 2024 what we've targeted for pavement management we didn't do as large of a project; so, we're doing okay on the Debt Service right now, but we always should take a look. In our FMP, we've got inflation factored into those construction costs. So, those construction costs and higher interest rates are factored into the FMP.

Council Member Garza asked do we have more opportunity to capture more funds from our HERO Center; I see that we've had deficits for the last couple of years, but is there any opportunity to get that back, or whatever we're doing as far as inviting other communities in?

Administrator Levitt replied one of the biggest challenges with the HERO Center is we opened our doors at the beginning of COVID, then the George Floyd incident happened; a lot of cities and agencies bailed from their contracts or weren't coming in, and so we've lost the revenue that we had. We're continuing to build those partnerships, right now they're growing. One of the things that we need to do is go back to MMB to see if we can allow more non-Public Safety use of the facility for additional revenue sources. So, that's going to be our ask this year is to go back to MMB to get permission to use it for non-Public Safety; because then we could have other agencies, companies, businesses renting it to provide that revenue source. Unfortunately, we really hit the market at the absolute worst time to open up a new business.

Council Member Thiede asked does the new facility that's going up in Dakota County, in Lakeville, hurt us at all?

Director Koerner replied it won't compete with us, no.

Council Member Khambata stated I think the biggest challenge with the HERO Center is it's running at a deficit and it's not currently contributing anything to a Capital Improvement Fund on its own. Meaning that any future capital improvements are going to be coming out of the General Fund, so it's something that we're going to need to start budgeting for in the General Fund or find additional dedicated revenue sources. But I will say a $49,000 deficit in the larger scheme of things is a pretty small deficit for the size of the operation.

Council Member Olsen stated it has saved us in training costs.

Council Member Khambata stated and the ancillary benefit of being able to provide that to our officers right here at home; so, either that's a pretty small, I guess if nothing changed, I'm okay with that, if that's the running deficit, I think that's acceptable.

Mayor Bailey stated and you just have to remember that it's a split with Woodbury; Administrator Levitt stated 40-60.

Council Member Khambata stated so if that's our realized cost of training and a benefit that we can use for recruitment, I think that's a reasonable expense.

Council Member Thiede stated so that $50,000 is just us, our share. Woodbury's is 60% because they have more officers. So, it's really running at about a $140,000 deficit.

Administrator Levitt stated to Council Member Khambata's point, we aren't putting any money away for capital. That's something as an FOC Board we've been very concerned about, which is why we really need to look at it and them changing the rules for us so that we can generate some additional revenue to be able to put into the capital.

Council Member Olsen stated they will do it, I think they absolutely will do that.

Mayor Bailey asked are you going to bring that up as a topic during the joint workshop between the Woodbury City Council and us or not?

Administrator Levitt replied probably not the MMB request, no.

Mayor Bailey stated the reason I was asking is looking at the future, for example, if we did what Tony was saying where if we started putting money aside, obviously, they would have to do the same. I'm looking at this I think more as we go back asking for legislative dollars to help, especially with some of our more capital kind of things. Because as we found out, just in the time since we've opened, technology has changed, things have changed, and so we definitely want to keep on the cutting edge with the technology.

Council Member Thiede asked who, in terms of Public Safety groups, have we advertised to? Are we able to like add Wisconsin to come over, like Prescott, or are there any facilities over there?

Director Koerner replied we've really hit the market. We have the major players in our area with Washington County, Woodbury, obviously, some of the smaller Dakota County ones, Hastings is coming up, Oakdale has an agreement. Where we've really succeeded, though, too, is a lot of the Federal groups that we're working with; last week, we finally got State Patrol coming in to use it. So, we're at the point, though, where we don't need a lot more, as Rasmussen takes a lot of time, but if we have all these partners, we don't want to tell Washington County well, we don't have range time, etc. So, now we're looking at more individual, like South St. Paul just coming for range time.

Council Member Thiede asked do we need to raise prices?

Director Koerner replied actually, I think we've done a pretty good job of staying in the market; we're very aware of what Edina, with their range north, met, so we're very competitive there. There are some departments and Clinton brings it up at most of our meetings, like why aren't you getting Forest Lake? Forest Lake has the same problem we used to have going to Maple Grove, that's a 40-minute drive, so it's overtime. So, we've kind of got that ring around us where we're doing pretty good. We've had some large groups, like MET Transit, have come in, but then they come and they're like this is so great, we should build our own facility. I think when Dan goes over his annual report, he'll talk about a lot of these challenges, but we've had a lot of success, too. It's kind of hard to put a number on the recruitment.

Council Member Olsen stated we could do an academy right here. I mean, there's so many other options here.

Director Koerner stated Dan has a great annual report that he'll give you, he'll answer a lot of those questions and what things we're looking at, outside of Public Safety training, whether it's laser tag, different things that they can do there. There are a lot of good ideas.

Mayor Bailey stated just a couple things from my standpoint: Obviously, salaries are going to be the big thing; we know about the cost of living and all that good stuff, so salaries are probably your priority 1 item. On the equipment it's interesting to know, what is something that can be pushed off if needed that isn't going to impede our ability to do work. And I'm not even just looking at you, Ryan, it's whatever's in that bucket because I can't see, obviously, here what's slated for that time period that could save us some dollars. The other thing, Ryan, we could look at, I looked down below on some of those projects; obviously, Shoppes at Cottage View would be development driven, and the same with the Industrial Park water tower, so that's kind of set aside, in my opinion. Pavement management, I mean, you'd have to tell me, can you break it up?

Director Burfeind replied that's one thing we're looking at, Council, is we're doing our 10-year plan for pavement management, Mill and Overlays, and our thin overlays. So, we'll have that ready for a good discussion with the budget process and kind of looking at what our options are.

Mayor Bailey stated I keep looking down the list here and go, okay, you might be able to save a little bit on equipment. Some of this stuff isn't, we both know once development comes through, but pavement management will be an idea as to what we can do, not that I like to delay pavement management.

And then you do have some positions in here, what we call additional employees. I'd be interested to know, for example, I think, Brenda, you might have alluded to the fact that we might be able to go for grant opportunity for the gear. So, then the question is does some of the money that was put aside for the grant, does that cover a Deputy Fire Chief, as an option. I'm just throwing some things out there. Was the police officer already in the budget? Director Malinowski replied no, it was not.

Mayor Bailey asked if the Building Inspector was; Director Malinowski replied correct.

Administrator Levitt stated you'll remember we actually had that in the budget, but where building permit revenue was projected, we held it out of the budget. Now, with the School District referendum passing, they'll be ramping up in 2025 for their projects, which would then increase our workload, along with our multifamily housing.

Mayor Bailey stated on top of that, the revenue that comes in from that, too, will help. Administrator Levitt stated that is true.

Mayor Bailey asked the Communications Manager is already in there, correct? Director Malinowski replied correct.

Mayor Bailey asked if the Public Service Worker is a third mechanic?

Director Burfeind replied a third regular mechanic. It would be five total mechanics with the lead worker and foreman.

Mayor Bailey asked if that position was in the budget? Administrator Levitt replied no.

Mayor Bailey asked if the money for the SCBAs is dedicated strictly to Fire?

Director Malinowski replied no, it's for Public Safety. Administrator Levitt stated you could split that any way; if you wanted to offset the Deputy Fire Chief and the police officer or not do police officer and just do Deputy Chief, or flip it. It's up to you.

Mayor Bailey stated here's the question, and I know we talked a little bit about this from the Council's perspective, is we always think we're getting to a sweet spot for Public Safety, and then people get hurt, it is what it is; unfortunately, it's the nature of the job. If somebody goes out and has a baby and takes their 10 weeks or whatever, we're just never, I don't know, we never seem to be at a level where we're comfortable with Public Safety.

Director Koerner stated we've been doing a lot of data, and on average, it's three a year, whether it's retirement; you're right, all of a sudden you have two people hurt, and we have three people this fall that are going to be expecting to take family leave. Whenever we think we are at that authorized staff, there's something.

Council Member Khambata asked with regard to the Public Service Worker, so, we're at a foreman and three mechanics right now?

Director Burfeind replied a foreman and a lead and two mechanics. But just based on how the actual pay works, the lead worker mechanics are pretty close, it's just the way the union contract is. The lead and foreman don't get a differential, so that's why they're about.

Council Member Khambata asked so how is our schedule on our workload right now with those four?

Director Burfeind replied in past years, we've had similar challenges, being down a mechanic; right down, we're down a mechanic due to an injury outside of work, so we're down to three. So, we're having to send more stuff to the Ford dealer in situations like that. One thing with the shop is really they're there to fix what's broken and do preventative maintenance, right? So, we have seen an increase, obviously, in the outsourcing of services in the last three years. I'd say the trend has been up, so with having another mechanic, the hope would be to obviously reduce that; we want to offset that.

Mayor Bailey asked so do you have a number or can you get us a number, though, for budget on what the outsourcing has been?

Council Member Olsen stated I'd also be curious what we're paying internal service to the shop; so, what is it costing Department A to send a vehicle to Department B and for what type of work?

Director Malinowski stated on this slide is the Fleet Fund: In blue is supplies; so, when we have our mechanics working on equipment, the blue is the supplies that they use for those. In orange is our outside labor, and we can see that that's been trending up. We attribute that to the number of vehicles that have increased; the last time we added a mechanic was back in 2002, and what was the percentage of equipment?

Director Burfeind stated we can only go back to 2010, because that's when our PubWorks system started: From 2010 to 2021, there was about a 35% increase, so probably about a 40% increase since 2010.

Council Member Olsen stated one of the things I'd like to know with respect to the shop is we have PubWorks, which does our billing, but we also have ALLDATA, which is the software that is commonly used in the industry to allocate time per job. I'm interested to find out if we are meeting those time-per-job estimates. I guess to make it simpler, when you sell work as a mechanic in retail automotive, you're selling time because you only have your mechanic for so many hours in the day. An oil change takes 20 minutes, a tire rotation takes 20 minutes, an alignment takes 30 minutes, and then an inspection takes another 20 minutes; so, all in, when you add up that total, that's what the job should take. What I'm curious about is if our jobs are taking longer than that.

Council Member Thiede asked are we meeting our time budget?

Council Member Olsen stated yes, are they close to that? So, I was just going to say this year is probably a really good year for us to dig a little deeper than we even normally do. The staff does such a great job with the budget every year, and we come in second lowest in the County vs. comparable cities for our tax rate. I mean, we've never been spend crazy in the City of Cottage Grove, it's just not what we do. I think we also know that we want to maintain a high level of service, we take a lot of pride in that; I know the various departments certainly do. But that's not to say that maybe there's some inefficiency baked in someplace, it certainly could be there; and the only way you're going to know is if you peel the onion and you look. And, so, if you think about what I just said with regard to the shop, is there efficiency at its peak or not? Because it's the human factor, you have to factor that in.

The same would be true, I would argue of our Building Division; do we really need another Building Inspector, or do we need the Building Inspectors we have to run faster? We used to do inspections for St. Paul Park and Newport, and we agreed several years ago to not do those anymore because we wanted to take workload off the inspectors' plates so that they could take care of the City. Are they really doing that? If they're not, what other work could they be doing? Are they doing proactive code enforcement, those kind of things.

And let's not forget that this City for years and years and years has been very good at job sharing. We had a time when C.S.O.s were doing some of the code enforcement activity. I'm not saying they did it right or wrong, I'm just saying it was a thing. And do those opportunities exist? I guess I'd be curious. So, at least for me, knowing that the labor situation is what it is and that we're going to pay what it costs, it's just what we're going to have to do. Are there opportunities where we might be able to shave a nickel or a dime here or there to help offset that? What I wrote down in my notes here was can we really examine our efficiency to try to determine if there are any inefficiencies? What about a head count for every department? Every department has a head count, we have an org chart, is there a way to utilize that org chart in such a way that maybe there's some job sharing that takes place? I know Tou's been working up front, it sounds like he really likes it and probably wants to stay there. So, that happens when somebody's injured, those kinds of things. So, there again, are there opportunities for that?

And then the last thing I'll say for me is I really don't want to jeopardize our AAA Bond Rating in any way, shape, or form. That is such a critical element to saving the taxpayer money on debt issuance. And I know that we have a really good relationship with Ehlers, we've seen all the bonding houses and they're reporting for us and all that kind of stuff. We've done incredible work as a staff here to get to that place; if we even take one step backwards, all that's going to do is create additional expense when it comes to issuing debt. So, I really don't want to be in a position where that's even a risk. And I know timing in the market and all that's really hard, but it's something to keep in the conversation; are we going to need to issue debt for this or, as Dave said, can we keep it another year, those kind of things. And I think there's important things in this budget, labor is just a given, we know it. But there's other important things, like those take-home squads. That is a huge retention thing, and if we want to have that happen and be able to say yes, we're doing this from a retention perspective, not to mention it improves your service delivery; is the juice worth the squeeze, is the cost going to be something that we can manage?

Council Member Olsen stated so, I trust the staff implicitly; you do unbelievable work, and I've seen you make lemonade out of lemons more times than I count in my time as a City Council Member. I think about what Woolery used to say, "Can I just have one normal year?" That just doesn't happen here, we don't have that. There's always something, and you do such a good job of planning for that and thinking forward; this FMP that you put together is fantastic, but we have to be a little flexible. As a Council, we get it. Ultimately, we have to trust that what you bring to us is a need, it's just the way it is. But I'll feel better when it comes time to really vote on a budget number if I know that we've done the hard work of digging into the efficiency piece, digging into the head count and job sharing piece, and if I can feel good about maintaining our AAA Bond Rating; that we're not going to be issuing more debt than we probably should to replace equipment if we can keep it around for another year, that kind of thing. So, that's my position, I'm one of five, but that's where I stand.

Council Member Thiede stated this is the one time that I really agree with Council Member Olsen.

Council Member Khambata stated two things on ALLDATA vs. PubWorks. That was flat rate times? The techs that are incentivized to meet those rates are being incentivized if they can exceed them. Council Member Olsen stated understood.

Council Member Khambata stated so, I think you have to be careful if that's going to be the expectation of our staff, then that's going to change the dynamic. I think the bigger problem with four techs is if one's sick or hurt, then the three remaining are staffing the entire department. As we know, there's equipment that just can't be down, right? So, it's going to get fixed whether we have the staff or not.

Council Member Olsen stated but it's not getting fixed whether we have the staff or not. Council Member Khambata said that's why it's getting outsourced.

Council Member Olsen stated no, in some cases, it takes two days to fix something that maybe should take one day.

Council Member Khambata stated again, I think if you're going to compare it to those ALLDATA numbers, that's a benchmark.

Council Member Olsen stated that's one measurement. Council Member Khambata stated that's where I was going with it. Council Member Olsen stated they could use any measurement they want.

Council Member Khambata stated another comparable measurement would be like the historical amount of time; does it take the same amount every time? And it's a big job for one person and it should be a two-person job or something like that. There might be other opportunities for efficiency.

Council Member Olsen stated well, that's why some shops have oil change techs and mechanics working together.

Council Member Khambata stated that's why you have a light-duty tech and a heavy-duty tech; Council Member Olsen agreed. Council Member Khambata stated that's my take on that, but I think from the standpoint of we're outsourcing a lot of those repairs, for instance, we can't have squads down, we can't have dump trucks down or plow trucks. So, if we don't have the internal capacity to do it, it's going to get done one way or the other, and that's where I think when we're outsourcing that stuff, that's a big opportunity to save money by bringing that inhouse.

Council Member Olsen stated unless you're charging more inhouse than the outsourcing; for example, if you're charging $200 for an oil change and inspection on a car internally, but you could get the same work done at a shop for $120, you're costing yourself $80.

Council Member Garza stated it looked like the graph that Director Malinowski showed a little bit ago showed that the impact really happened over the last two-or-three years; prior to that, things were looking like we were doing good numbers. For a couple years, it's gotten really out of hand.

Council Member Olsen stated they've been asking at the shop for additional space and an additional lift. All I'm asking is let's examine it closely to make sure that we've got people who are moving through the products as fast as they can, that they're as efficient as they can be. It could be something as stupid as do we have the parts on hand, or do we have people standing around for four hours waiting for a part? That's conceivable, sometimes it happens. So, are you better off buying your commonly-used parts upfront and storing them at the shop? That's a question for the people who work there; none of us works in that shop and Adam's a sharp guy, all of our mechanics are good people, and it's just something I would suggest we look at, and that's for me. But I think that you can extrapolate that same mindset for the rest of the organization and just kind of double check, right? Trust but verify, see if we're still in a position where we need this many of that or not enough of that, and let's try to find the balance.

Mayor Bailey asked staff did we give you what you need, along with some data that the Council is going to look for? Administrator Levitt replied yes, we're good.

Mayor Bailey stated the only other thing, and I know we'll get into this when we actually get more into like the CIP and such, but can you refresh my memory again, when is 80th Street getting done?

Director Burfeind replied 2026.

Council Member Olsen stated and we'll have MSA funding then.

Director Burfeind replied yes, MSA funding and a grant, there should be some Federal grant funding.

Council Member Olsen asked so, Pete, if you had to pick between a Fire Chief or a cop, which one would you pick?

Council Member Khambata stated you can't ask him that; Council Member Olsen stated sometimes you have to.

Director Koerner replied right now, I'll take the Deputy Fire Chief, that's where we need it.

Council Member Olsen said that's where you think the need is the greatest? Okay.

14. WORKSHOPS - CLOSED TO PUBLIC - None.

15. ADJOURNMENT

Motion by Council Member Olsen, second by Council Member Thiede, to adjourn the meeting at 9:07 p.m. Motion carried: 5-0.

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