



COTTAGE GROVE CITY COUNCIL

AUGUST 31, 2022

12800 RAVINE PARKWAY SOUTH COTTAGE GROVE,
MINNESOTA 55016

SPECIAL MEETING - 6:30 P.M.

TRAINING ROOM - Open to the Public

Pursuant to Minn. Stat. 130.02 subd. 1, Councilmember Khambata will be attending remotely at the following location:
One Casino Drive, Nassau, Bahamas Meeting location: Library - Phone: 242-363-6800

1 CALL TO ORDER

2 ROLL CALL

3 CONSENT AGENDA

A Additional Workspaces - City Hall/Public Safety Building

Staff Recommendation: Approve the additional workspaces for the City Hall/Public Safety building for an estimated amount of \$131,261.97.

B Fence Consortium Joint Powers Agreement

Staff Recommendation: Authorize Resolution number 2022-114 adopting the Fencing Consortium Joint Powers Agreement.

C River Oaks Golf Course Improvement Project Public Bid

Staff Recommendation: Authorize Resolution number 2022-115 rejecting all bids for the River Oaks Golf Course Improvement Project.

D Mobile Food Unit License

Staff Recommendation: Approve the Mobile Food Licenses for Thai KC Cuisine and Chip Thai Gourmet Kitchen.

E Massage Therapist License

Staff Recommendation: Authorize issuance of a massage therapist license to Andy Teng Yang, who will be working at Whole Health Massage, 8800 East Point Douglas Road South.

F Long-Term Financial Management Plan

Staff Recommendation: Approve proposal for the preparation of a Long-Term Financial Management Plan

4 WORKSHOP

A 2023 Budget and Property Tax Levy

Staff Recommendation:

B 2023 Budget - Communications Plan

Staff Recommendation:

5 ADJOURNMENT



City Council Action Request

3A

Meeting Date	8/31/2022	
Department	Public Safety	
Agenda Category	Consent Agenda	
Title	Additional Workspaces - City Hall/Public Safety Building	
Staff Recommendation	Approve the additional workspaces for the City Hall/Public Safety building for an estimated amount of \$131,261.97.	
Budget Implication	The total estimated cost is \$131,261.97. The Municipal Building Fund has \$75,000 available and the remaining \$56,261.97 would be covered by 2022 building permit revenues.	
Attachments	Additional Workspaces.tif	1.18MB

To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Ryan Burfeind, Public Works Director/City Engineer
Adam Moshier, Fleet and Facilities Manager

Date: 8/24/2022

RE: Additional Workspaces - City Hall/Public Safety Building

Introduction

In response to the 5-year staffing plan presented to City Council, staff has been reviewing options to create additional workstations/offices in the City Hall/Public Safety building. As currently constructed, the City Hall/Public Safety building does not have space for these new employees. After the water treatment plant is built in 2024, more office spaces would become available in City Hall. In order to develop these additional workspaces, staff has been working with Wold Architects to create a plan to better utilize the office and storage spaces throughout the building. This was discussed at a council workshop on July 20th, 2022.

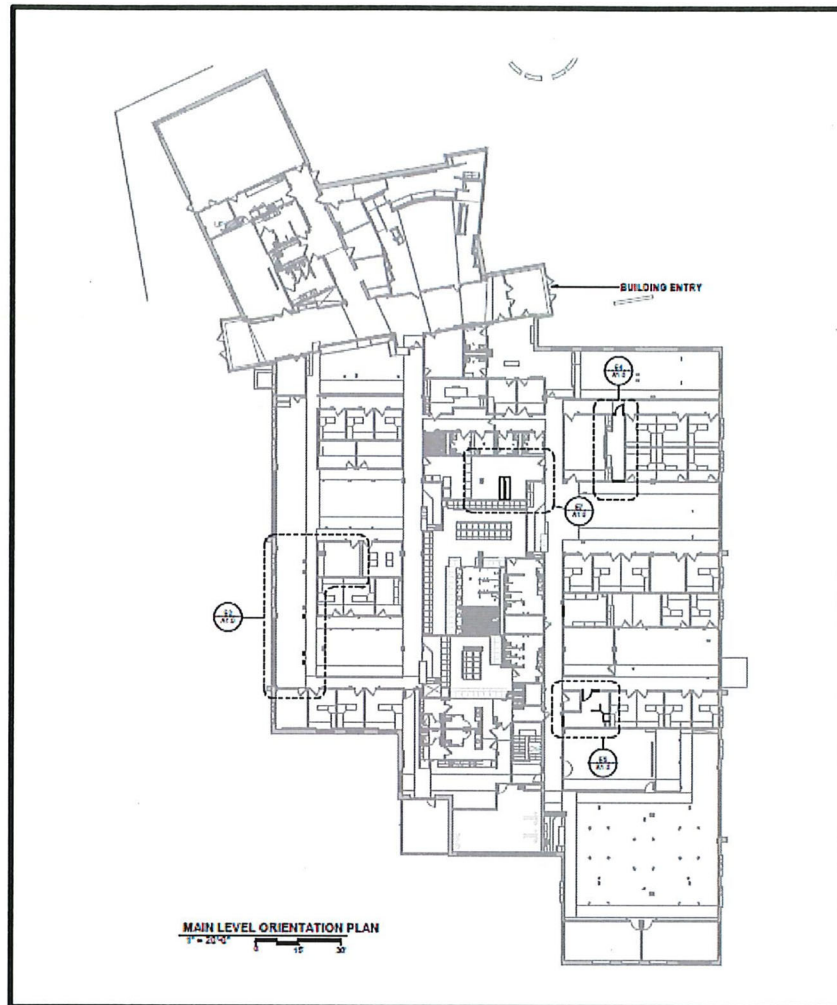
Discussion

This first option proposed is to convert the IT workroom into an office space and move the IT workstation to the public safety storage room. Staff still needs additional storage for public safety materials and supplies so the hallway to the east of the Minnesota room would be converted into a storage space with doors on each side. IT staff is already located on the public safety side so this increases efficiency along with creating the new office space in the Community Development area, which is needed due to the addition of the City Engineer in 2023.

The second option calls for the storage room on the Investigations side be converted into a new office space. This would create one additional spot for Investigations.

The third option involves converting the current cubicle layout of the City Clerk and Payroll Specialist. There is enough space to downsize the current cubicles and make room for a third one, similar to the other cubicle sizes along the west wall. This additional cubical space will be needed for the Finance Department, as the City looks to have the State fund a position to handle the tracking and processing of the many 3M Settlement grants the City is receiving.

Considering the potential construction of an Engineering & Utility Division building with completion in 2024, these proposed changes would provide sufficient space at City Hall until Engineering staff relocate. On the following page is a figure highlighting the areas where modifications would take place in City Hall.



Options one, two and three would create an additional three spots for a total estimated cost of \$118,761.97. This cost covers construction, construction administration, and furniture costs. Architectural fees to develop the construction documents would total \$12,500.

Budget Implication

The total estimated cost for this project is \$131,261.97. The Municipal Building Fund has \$75,000 available and the remaining \$56,261.97 would be covered by 2022 building permit revenues.

Recommendation

The City Council approve the additional workspaces for the City Hall/Public Safety building for an estimated amount of \$131,261.97.



City Council Action Request

3B

Meeting Date	8/31/2022	
Department	Public Safety	
Agenda Category	Consent Agenda	
Title	Fence Consortium Joint Powers Agreement	
Staff Recommendation	Motion authorizing resolution 2022-114 adopting the Fencing Consortium Joint Powers Agreement	
Budget Implication	All costs are pending final membership group numbers. The highest cost has been budgeted and will be split with HERO Center.	
Attachments	Memo - Fence Consortium.tif	12.52MB
	Resolution - Fence Consortium.tif	5.92MB
	Fence Consortium Joint Powers Agreement.tif	30.03MB



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Peter J Koerner, Director of Public Safety

Date: August 16,2022

Subject: **FENCE CONSORTIUM JOINT POWERS AGREEMENT**

BACKGROUND

In the spring of 2021, a significant number of public agency professionals (with police, fire, public works, and emergency management backgrounds) joined together to form a Fence Working Group to explore the identified challenges and develop a collective path forward. Based on the experience with civil unrest in Minneapolis and Brooklyn Center, the critical role that anti-scale fencing can serve for de-escalation and establishing a space for lawful protests became apparent. That said, it was also found that obtaining anti-scale fencing is a significant challenge due to several factors, as well as being very expensive. To respond to this identified need, a Fence Working Group was established.

The Fence Working Group's efforts have led to the formation of a Fencing Consortium. The Fencing Consortium is made up of local government agencies (members) that will jointly contract with a fencing vendor for the availability, storage, maintenance, and transportation of anti-scale fencing (including vehicle gates and pedestrian doors). The Consortium will have, at a minimum, enough fencing for the largest police department building in the Consortium. However, the Consortium has the flexibility to increase the amount of fencing, gates, and doors as additional local governments join the Consortium.

The intent of the Fencing Consortium is to provide anti-scale fencing within hours, not days, around potentially impacted government building(s) in response to a critical incident. The goal of the anti-scale fencing is to de-escalate the potential tensions and try to reduce/eliminate the non-tangibles associated with civil unrest such as:

- 1) Provide physical separation between law enforcement and protestors
 - a. Promotes improved mental health environment for all (reduce PTSD)
 - b. Pre-plan and standardize perimeter layout
- 2) Reduce the need for crowd control measures to be used
 - a. Improved safety for all
 - b. Minimize potential impact on adjacent properties
 - c. Crowd control measures are seen as escalating
 - d. Another tool for law enforcement facilitating peaceful protests
- 3) Create a space for protesting
 - a. Not seen as officers vs. protestors, but protestors just protesting (including optics)

- b. Supports efforts to coordinate/communicate with specific protest groups and organizers ahead of time
 - c. Improved distinction between legal protestors and “violent and destructive actors”
 - d. Officers in riot gear and with crowd control measures are more likely to be able to remain out of sight of legal protestors
- 4) Reduce resource demands committed to one location
- a. Local law enforcement agencies are too small to handle large-scale civil disturbance
 - b. Potentially need fewer officers for security at the site
 - c. Free up more resources to continue to respond to calls for service in impacted community
 - d. Takes into consideration that protests may be a protracted event

The purpose and structure of the Fence Consortium is to provide experienced leadership for fence deployment operations across multiple jurisdictions in a unified command structure and coordinate during the deployment of anti-scale fencing. This includes considering and planning for operational logistics and tactical planning associated with fence deployment. The Fence Consortium itself is a multi-agency, pre-planned, coordinated resource management system to continue efforts to minimize multiple local and state agencies from being over-extended.

FENCE DEPLOYMENT TEAM

One of the biggest costs and factors for the deployment of any fence is the labor, equipment, and scheduling of staffing to setup the fence. Because of this, the Working Group determined that the best way to meet these challenges is to use the existing Statewide Public Works Mutual Aid Pact to provide the labor and equipment needed to deploy the fence. Just like police and fire use existing mutual aid agreements during civil unrest, public works would do the same. One key reason for this is that the JPA can leverage these other existing mutual aid agreements when it comes to labor considerations.

Each Consortium member would need to provide between 1 and 3 people who would be assigned to the Fence Deployment Team. This team would train 3 times a year (2 times in person) so that when the call to deploy the fence was made, everyone would be familiar with what needed to be done and it could be done as efficiently as possible. Each Consortium member would cover the costs, including if there was a deployment (likely overtime), of their staff on the Fence Deployment Team. Considerations will be made for small public works departments (just a few members) or agencies with no public works staff.

STATE FUNDING REQUEST

The Fence Consortium has requested \$5 million dollars from the State of Minnesota for the purchase of anti-scale fencing and associated vehicle gates and pedestrian doors. If obtained, the State funding for the purchase of anti-scale fencing for the Fencing Consortium will significantly reduce the on-going cost each Consortium member will pay for the storage, maintenance, and transportation of the anti-scale fence. This reduction in cost will improve equity in accessibility to this de-escalation and safety tool for communities across not only the Seven County Metro area, but also the state as a whole.

PREREQUISITES

Any agency participating in the Fence Consortium must be a member of the Statewide Public Works Mutual Aid Pact. Police and fire agency resources must be members of relevant mutual aid agreements. Cottage Grove joined the Statewide Public Works Mutual Aid Pact in July.

PROJECT COST

Each member agency's cost is pro-rated based on the footage of fencing needed for their location.

RECOMMENDATION

Motion authorizing the resolution adopting the Fencing Consortium Joint Powers Agreement.

Attach:

Fencing Consortium JPA

Resoultion_Adopting_the_Fencing_Consortium_JPA

**RESOLUTION ADOPTING THE FENCING
CONSORTIUM JOINT POWERS AGREEMENT**

Resolution No. 2022-114

WHEREAS, the governmental units in the state have experienced an increase in incidences of civil unrest with violent and destructive actors who pose a threat to the public, public personnel, buildings, and critical infrastructure; and

WHEREAS, the First Amendment of the United States Constitution protects the freedom of speech, the press, and the right of the people to peacefully assemble, and to petition the government for a redress of grievances; and

WHEREAS, recent experience has shown that the use of anti-scale fencing has greatly de-escalated tension between law enforcement and protesters; and

WHEREAS, by de-escalating the tension, the anti-scale fencing helps to reduce the trauma on the community, improve the safety for all, minimize the impact on neighboring properties, and reduce the community resources that have to be committed to such events; and

WHEREAS, governmental units have recognized the need to have ready access to anti-scalable fencing as a tool for de-escalation and community safety while protecting against violent and destructive actors; and

WHEREAS, the best means for a governmental unit to access such fencing in a timely and cost-effective manner is to work cooperatively with other governmental units; and

WHEREAS, the Fencing Consortium Joint Powers Agreement (“Fencing JPA”), which is incorporated herein by reference, establishes a joint board to obtain and make available to members anti-scalable fencing in response to critical incidences, sets out the powers of the joint board, requires members to pay their share of the fencing costs and operational costs of the Fencing Consortium, requires members to provide staffing to assemble and disassemble the fencing as part of the Public Works Mutual Aid Pact, and otherwise provides for the operation of the Fencing Consortium as a joint powers entity; and

WHEREAS, the governmental unit is a member of the Public Works Mutual Aid Pact and is otherwise eligible to adopt the Fencing JPA; and

WHEREAS, it is in the best interests of the community to become a member and participate in the Fencing Consortium.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Cottage Grove, County of Washington, State of Minnesota:

1. The Fencing JPA is hereby approved and adopted.
2. The City Administrator is authorized and directed to make nominations and to cast votes on persons to be elected to the Fencing Consortium Board of Directors.
3. Staff are authorized and directed to do each of the following:

- a. Submit a fully executed copy of this Resolution as directed in the Fencing JPA to indicate membership in the Fencing Consortium;
- b. Designate a primary and secondary point of contact for the Fencing Consortium for administrative purposes.
- c. Coordinate with the other Fencing Consortium members and the Board on the selection of staff from the public works department to serve on the fencing deployment team; and
- d. To take such other actions as may be needed to carry out the intent of this Resolution and as may be required under the terms of the Fencing JPA.

Adopted this ____ day of _____ 2022.

Attest: _____

FENCING CONSORTIUM JOINT POWERS AGREEMENT

THIS FENCING CONSORTIUM JOINT POWERS AGREEMENT (“**Agreement**”) is made and entered into by and among the Governmental Units identified in the attached Exhibit A (each a “**Member**” or collectively the “**Members**”).

RECITALS

- A. The civil unrest and resulting negative impacts on mental health, damage to buildings, and a reduction in overall safety experienced in the Seven County Metropolitan Area in recent years has given rise to a need for communities to have ready access to anti-scalable fencing. The anti-scale fencing can be set up to protect public buildings, critical infrastructure, and other key locations to de-escalate tensions between law enforcement and protestors as well as reduce the need to rely on crowd control measures to protect such locations from violent and destructive actors.
- B. Appropriate fencing to serve this purpose is produced by few vendors, currently all of which are located outside of the state.
- C. This type of fencing is expensive and the delays associated with attempting to identify and secure the delivery of fencing during the response to a critical incident may result in unnecessary risks to personnel and public property.
- D. By pooling resources and working cooperatively, communities can access high quality fencing, trained personnel, and related resources to assemble it in as efficient manner as possible to support de-escalation measures with protestors and protect facilities from violent and destructive actors.

AGREEMENT

In consideration of the mutual agreements and understandings, and intending to be legally bound, the Members hereby agree as follows:

ARTICLE I DEFINITIONS AND PURPOSE

- 1.1. **Definition of Terms.** For the purposes of this Agreement, the following terms shall have the meaning given them in this section.
 - (a) Additional Member. “Additional Member” means a Governmental Unit that submits a Membership Resolution after the Effective Date and that the Board votes to accept as a Member of the Fencing Consortium.
 - (b) Agreement. “Agreement” means this Fencing Consortium Joint Powers Agreement.

- (c) Board. “Board” means the Fencing Consortium Joint Board established by this Agreement.
- (d) Call Out. “Call Out” means a request by a Requesting Member to the Board requesting the deployment of the Fencing.
- (e) Critical Incident. “Critical Incident” means an event or occurrence that occurs within a Governmental Unit that is reasonably anticipated to result in, or that does result in, civil unrest focused against one or more public buildings, infrastructure, or other critical site with the Governmental Unit.
- (f) Deployment Site. “Deployment Site” means the specific location at which the Fence is to be assembled.
- (g) Deployment Team. “Deployment Team” means the public works personnel or others assigned by each Member who are responsible for responding to requests by Members to assemble and disassemble the Fencing at a Member’s Deployment Site in accordance with its Fencing Preplan.
- (h) Deployment Team Manager. “Deployment Team Manager” is the member of the Deployment Team designated as supervisor and who has operational control over the deployment and demobilization of the Fencing.
- (i) Effective Date. “Effective Date” means the date this Agreement goes into effect and the date by which Original Members must adopt the Membership Resolution. The Effective Date is September 2, 2022.
- (j) Extended Membership Area. “Extended Membership Area” means the area established by the Board outside of the Seven County Metropolitan Area in which Governmental Units are eligible to request membership in the Fencing Consortium.
- (k) Fencing. “Fencing” means the non-scalable, portable, free-standing fence secured by the Board and made available to Members under this Agreement.
- (l) Fencing Preplan. “Fencing Preplan” means a plan developed by a Governmental Unit showing the general location and length of the Fencing needed and the type and location of gates within the Fencing.
- (m) Governmental Unit. “Governmental Unit” means a local government or other political subdivision of the State that is authorized under Minnesota Statutes, section 471.59 to enter into a joint powers agreement. The term also includes state agencies and joint powers entities that own a public building.
- (n) Lease. “Lease” means the lease agreement between the Board and the Vendor to secure the Fencing for the Fencing Consortium and that sets out the terms for the

storage, delivery, and maintenance of the Fencing. The Lease may also establish the use charge the Requesting Member is required to pay the Vendor for the actual use of the Fencing.

- (o) Member. “Member” means an Original Member or an Additional Member. The term is used generally in this Agreement to refer to an individual current member Governmental Unit or, in its plural form, to all current member Governmental Units. A Governmental Unit must remain in good standing under this Agreement to remain a Member of the Fencing Consortium.
- (p) Member Assessment. “Member Assessment” means the amount determined annually by the Board to pay the costs of the Fencing Consortium and which is invoiced to each Member.
- (q) Membership Resolution. “Membership Resolution” means the resolution form a Governmental Unit adopts to join the Fencing Consortium. Any resolution that is not substantively the same in all respects as the form resolution developed for membership shall not constitute a Membership Resolution.
- (r) Notification System. “Notification System” means the communications or alert system, or systems, selected by the Board to issue a Call Out for the deployment of the Deployment Team and Fencing to a Requesting Member’s Governmental Unit.
- (s) Original Member. “Original Member” means a Governmental Unit that completed all requirements to enter into this Agreement prior to the Effective Date.
- (t) Public Works Mutual Aid Pact. “Public Works Mutual Aid Pact” means the Public Works Joint Powers Mutual Aid Agreement, which was originally effective as of July 1, 2018 and is incorporated herein by reference.
- (u) Requesting Member. “Requesting Member” means a Member who makes a request to the Board for the deployment of the Fencing in its Governmental Unit.
- (v) Seven County Metropolitan Area. “Seven County Metropolitan Area” means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
- (w) Staging Area. “Staging Area” means the location identified for the Deployment Team to gather at in response to a Call Out before convoying to the Deployment Site.
- (x) Surcharge. “Surcharge” means the amount an Additional Member is required to pay to join the Fencing Consortium as determined by the Board. The Surcharge is in addition to the amount the Additional Member is required to pay based on the length of its Fencing needs as shown in its Fencing Preplan. The Surcharge

includes the amount the Member is to pay for the Member Assessment for the year in which the Governmental Unit becomes a Member and any buy-in costs as determined by the Board.

- (y) Vendor. “Vendor” means the fencing company selected to provide the Fencing to the Fencing Consortium.

1.2. **Purpose.** It is the general purpose of this Agreement to:

- (a) To establish the Fencing Consortium, the responsibilities of the Members toward the Fencing Consortium, and to establish the “Fencing Consortium Joint Board” to govern the Fencing Consortium and its operations;
- (b) To authorize the Board to obtain and provide for the storage and deployment of Fencing in response to a Critical Incident and for other purposes as provided in this Agreement and as determined by the Board;
- (c) To authorize the Board to negotiate and enter into an agreement with a Vendor to obtain the Fencing and provide for its storage, delivery to, and return from a Requesting Member’s Governmental Unit;
- (d) To authorize the Board to establish policies and procedures for the deployment of the Fencing, the training and deployment of the Deployment Team, and on other matters as needed to achieve the purposes of this Agreement;
- (e) To authorize the Board to determine the Governmental Units eligible for membership in the Fencing Consortium, including expanding the eligible territory as it determines is appropriate; and
- (f) To authorize the Board, upon deliberation and continued communication with the Members, to revise the initial structure of the Fencing Consortium over time as it may determine is in the best interests of the Members to do things such as moving from a leasing arrangement to purchasing the Fencing and to provide for its storage, maintenance, and transportation.

ARTICLE II

FENCING CONSORTIUM ESTABLISHED

- 2.1. **Established.** There is hereby established, by the execution of this Agreement, the “Fencing Consortium” as a joint powers entity formed pursuant to Minnesota Statutes, section 471.59, which is to be managed and operated by the Board pursuant to the terms of this Agreement.
- 2.2. **Scope.** This Agreement applies to those Governmental Units that are Members of the Fencing Consortium and provides for the operation of the Fencing Consortium by a Board of Directors elected as provided herein.

ARTICLE III MEMBERSHIP

- 3.1. **Original Members.** A Governmental Unit that adopts and submits the Membership Resolution to join the Fencing Consortium before the Effective Date shall be considered an Original Member under this Agreement. A Governmental Unit is eligible to be an Original Member of the Fencing Consortium if it satisfies all of the following:

- (a) Is a member of the Public Works Mutual Aid Pact;
- (b) Is within the Seven County Metropolitan Area;
- (c) Has submitted a Fencing Preplan prior to the Effective Date; and
- (d) Has properly adopted and submitted a Membership Resolution prior to the Effective Date.

The Governmental Unit shall submit its Membership Resolution to the Chief of Police in the City of Crystal. The Membership Resolutions shall be transferred to the Board once it is formed. Membership Resolutions adopted after the Effective Date shall be sent to the Board.

- 3.2. **Additional Members.** After the Effective Date, a Governmental Unit may request to become an Additional Member of the Fencing Consortium if it satisfies the following:

- (a) Is a member of the Public Works Mutual Aid Pact;
- (b) Is located within the Seven County Metropolitan Area or within the Extended Membership Area as determined by the Board;
- (c) Submits a Fencing Preplan;
- (d) Submits the fully adopted Membership Resolution; and
- (e) The Board votes to accept the Governmental Unit as an Additional Member.

Additional Members are required to pay a Surcharge to the Fencing Consortium in the amount determined by the Board, and to comply with such additional requirements as may reasonably be imposed by the Board.

- 3.3. **Exception.** The membership requirement to be a member of the Public Works Mutual Aid Pact is to establish a mechanism through which local public works staff can be utilized to assist in the mobilization and demobilization of the Fencing within the Governmental Unit. However, there are entities that do not have their own public works staff, desire to become a Member of the Fencing Consortium, and for which local support

can be provided through another Governmental Unit. Therefore, a Governmental Unit that does not have a public works department or public works employees is not required to be a member of the Public Works Mutual Aid Pact to be eligible to become a Member of the Fencing Consortium, provided the following are complied with to the extent applicable:

- (a) If the Governmental Unit is a joint undertaking among other Governmental Units, the community in which any of the Governmental Unit's buildings are located and to which its Fencing Preplan applies must be a member of the Public Works Mutual Aid Pact; or
 - (b) If the Government Unit relies on the county sheriff's department as the primary source of law enforcement services, that county must be a member of the Public Works Mutual Aid Pact.
- 3.4. **Requirement of Good Standing.** Continued membership in the Fencing Consortium shall be contingent upon: paying the annual Member Assessment and any additional charges as determined by the Board as provided herein; making public works staff available to participate as members of the Deployment Team; and on-going compliance with the other requirements, terms, and conditions of this Agreement and the policies and procedures adopted by the Board.
- 3.5. **Withdrawing from Membership.** A Member may withdraw from the Fencing Consortium as provided in Article XI of this Agreement.

ARTICLE IV FENCING CONSORTIUM JOINT BOARD

- 4.1. **Established.** There is hereby established the "Fencing Consortium Joint Board." The Board shall consist of five Directors elected by the Members in accordance with this Article. Directors shall serve without compensation from the Fencing Consortium. The Director positions shall be assigned as follows:
- (a) Two Directors representing law enforcement;
 - (b) One Director representing fire;
 - (c) One Director representing public works; and
 - (d) One Director representing emergency managers.
- 4.2. **Initial Directors.** The Board shall initially be comprised of the following Directors ("**Initial Board**");

- (a) Ryan Murphy, Commander, Special Operations Unit, Saint Paul Police Department and Ryan Seibert, Chief of Police, City of Chaska, representing law enforcement;
- (b) Ward Parker, Assistant Chief Operations, City of Eden Prairie, representing fire;
- (c) Daniel Ruiz, Director of Operations & Maintenance, City of Brooklyn Park, representing public works; and
- (d) Doug Berglund, Director, Emergency Management, Washington County Sheriff's Office, representing emergency managers.

The Initial Board shall be responsible for Organizing the Board and the Fence Consortium. The Initial Board shall conduct an election in 2022 for Members to elect three Directors to the Board. An election will then be held in 2023 for Members to elect the remaining two Directors to the Board. Those elected in 2022 shall assume their positions effective on January 1, 2023 and those elected in 2023 shall assume their positions on January 1, 2024. The Initial Board shall determine which positions are up for election in 2022 and 2023, except the two law enforcement Director positions shall be elected in separate years.

- 4.3. **Director Eligibility.** To be eligible to be elected to the Board a person must be currently employed by a Member and actively serving in the profession the person is proposed to represent on the Board. If a Director loses eligibility to continue serving on the Board, the position shall be deemed vacant and the vacancy filled as provided herein.
- 4.4. **Term.** Each Director serves a two-year term commencing on January 1. The terms shall be staggered to minimize the number of Directors up for election in the same year. The Initial Board shall determine the terms and the staggering of the positions as part of adopting the bylaws. A vacancy in the office of Director shall be filled by appointment of the Board until the next election, at which time the position shall be up for election for the remainder of the term.
- 4.5. **Election of Directors.** The annual election of Directors shall occur in accordance with this Agreement and the bylaws established by the Board. This process is not subject to federal, state, or local election laws or procedures. Instead, the intent is to provide a reasonable means for Members to nominate candidates and to select those whom they wish to serve on the Board. Each Member in good standing when the nomination process begins has an opportunity to nominate people from its Governmental Unit for any or all the open positions on the Board. All persons nominated to a position must be eligible to represent that position on the Board. The Board shall collect the nominations and prepare a ballot to be distributed among the Members for a vote. Each Member in good standing shall have one vote on each open position. A Member must determine for itself who is authorized to submit nominations and cast the vote on its behalf. The name of the Member submitting the ballot must be on the ballot. The Board shall tabulate the votes and provide the Members a list of the persons elected to the Board. The conducting of

the nomination and election process shall occur early enough in a year to allow the newly elected Directors to take their positions on the Board as of January 1.

- 4.6. **Director Duties.** Directors are responsible for carrying out the duties of the Board under this Agreement in a diligent and timely manner. If a Director fails to attend three consecutive Board meetings without reasonable cause, the Board may declare the office vacant and fill the position by appointment. The position will then be up for election at the next election for the remainder of the term.
- 4.7. **Board Officers.** Each year at its annual meeting the Board shall elect from among its Directors a Chair and a Vice-Chair. The Board shall also appoint a Secretary/Treasurer, which is not required to be selected from among the Directors. If the Secretary/Treasurer is not a Director, the person shall not have a vote. The Chair shall act as the presiding officer at Board meetings and the Vice-Chair shall act as the presiding officer in the absence of the Chair. The Secretary/Treasurer shall take the minutes of Board meetings and shall serve as the finance manager for the Fencing Consortium. The Board shall adopt by-laws to establish its own procedures, provided such procedures are consistent with the purposes of this Agreement.
- 4.8. **Board Meetings.** The Board shall hold regular meetings on the schedule as established in its bylaws. The Board may also hold special meetings as needed upon the call of the Chair or upon the written request of two Directors given to the Secretary/Treasurer. Meetings of the Board are subject to the Minnesota Open Meeting Law (Minnesota Statutes, chapter 13D). The Secretary/Treasurer shall inform all Directors of special meetings, maintain a schedule of the Board's regular meetings, and shall post notice of any special meetings on the bulletin board designated by the Board for such notices or, if a bulletin board is not designated, upon the outside door of the building in which the Board meets. The Board may hold emergency meetings and such other meetings as allowed by law. The Board shall hold an annual meeting in January or in such other month as designated by the Board. The annual meeting may be held together with a regular meeting.
- 4.9. **Voting.** A majority of the Directors (three) shall constitute a quorum of the Board to meet and conduct the business of the Board. Each Director shall have an equal, non-weighted, vote. Unless specifically indicated otherwise herein, a majority vote of the Directors present at a meeting, if at least a quorum is present, shall be required for the Board to take action on any issue that comes before it. A Director must be present at a meeting to vote and shall not vote by proxy. A Director may be considered present and vote from a remote location to the extent allowed under Minnesota Statutes, chapter 13D.
- 4.10. **Powers of the Board.**
- (a) To take all actions necessary and convenient to discharge its duty to lease Fencing and to make it available to Members pursuant to the terms of this Agreement.

- (b) Establish policies and procedures for requesting, deploying, using, demobilizing, and returning the Fencing, and on such other operational matters as the Board may determine is appropriate. This power includes, but is not limited to, further refining the definition of Critical Incident as may be needed and otherwise identifying situations in which deployment of the Fencing is automatic and when it is discretionary with the Board.
- (c) Authorize one or more of its Directors to receive request from a Requesting Member and to issue a Call Out of the Fencing to a Critical Incident in accordance with established policies and procedures.
- (d) Obtain the Fencing initially by lease, or purchase with State appropriation, and then determine over time whether to purchase part or all of the Fencing provided under this Agreement. If the Fencing is purchased, to provide for its storage and deployment.
- (e) Select the notification system for the Call Out.
- (f) To adopt bylaws and rules or policies consistent with this Agreement as required to effectively exercise the powers, or accomplish the purposes, of the Fencing Consortium;
- (g) To interpret and apply the provisions of this Agreement in a manner that furthers its purpose and intent including, but not limited to, determining the eligibility of a Governmental Unit to become a Member;
- (h) To adopt an annual operating and capital budget, including a statement of sources of funding and allocation of costs to Members;
- (i) To establish a system to communicate budget and other information of interest to Members;
- (j) To enter into contracts in its own name;
- (k) Contract with an auditing firm to perform financial audits of the Fencing Consortium as the Board determines is appropriate;
- (l) To purchase any insurance and indemnity or surety bonds as necessary to carry out the purposes of this Agreement;
- (m) To seek, apply for, and accept appropriations (including legislative appropriations), grants, gifts, loans of money or other assistance as permitted by law from any person or entity, whether public or private;
- (n) To sue;

- (o) To annually charge and collect from Members a Member Assessment as needed to pay the on-going costs of the Fencing Consortium;
- (p) To determine and require the payment of a Surcharge by Additional Members joining the Fencing Consortium; and
- (q) To exercise all other powers necessary and incidental to carry out the purposes of this Agreement provided such powers are consistent with the purposes of the Agreement and are exercised in accordance with the applicable statutory powers of the Members.

4.11. **Powers Not Delegated.** The Members expressly reserve for themselves the following powers, which shall not be deemed delegated to, and may not be exercised by, the Board:

- (a) Hire employees;
- (b) Purchase real property;
- (c) Issue bonds; or
- (d) Undertake or otherwise perform any functions exceeding the general scope and purpose of this Agreement.

4.12. **Specific Duties of the Board.** The Board shall exercise the powers provided it under this Agreement to perform, in addition to the other duties provided for in this Agreement, the following specific duties:

- (a) Lease Fence. The Board shall enter into a Lease with the Vendor to obtain the Fencing and trailer(s) for transporting the Fencing. The Board shall ensure it secures and maintains a sufficient length of Fencing to cover the Member with the longest Fencing lengths as shown on the Fencing Preplans, rounded up to the nearest 500 feet. Initially, the Board shall base the amount of Fencing on the Fencing Preplans submitted by the Original Members. As Additional Members join the Fencing Consortium, the Board shall consider the Fencing needs and may secure additional Fencing as it determines is needed.
- (b) Fence Storage and Transport. The Lease shall require the Vendor to store the Fencing at a location agreeable to the Board, deliver the Fencing to the identified Staging Area upon the Board's request within the response timeframe identified in the Lease, and to address other transportation needs as specified in the Lease.
- (c) Select Notification System. The Board shall select a Notification Systems that will be used by Directors to Call Out the Deployment Team to a Requesting Member's Governmental Unit.

- (d) **Reports.** The Board shall prepare and distribute such reports to the Members as the Board determines are necessary to keep them informed of the Fencing Consortium's activities. The Board shall determine the best method for distributing such reports.
- 4.13. **Office.** The initial office of the Fencing Consortium shall be selected by the Board. The Board may change the location of the office as it determines is appropriate. The Board will hold its meetings at the designated office, but may also meet at such other locations as it determines appropriate to carry out its duties.
- 4.14. **Disbursements.** Except as otherwise provided, all unbudgeted disbursements and expenditures of the Fencing Consortium shall be approved by the Board. All checks issued by the Fencing Consortium from its funds shall be co-signed by two Directors designated by the Board.
- 4.15. **Fiscal Agent.** The Board may appoint, and enter into agreements with, a fiscal agent for the Fencing Consortium and may change the fiscal agent from time to time as it deems necessary. The fiscal agent may be a Member Governmental Unit. The Board may delegate authority to the fiscal agent to act on its behalf as the Board deems appropriate and in accordance with applicable laws.

ARTICLE V DEPLOYMENT OF THE FENCING

- 5.1. **Automatic Deployment.** The Fencing shall be made available for automatic deployment upon the occurrence of a Critical Incident in a Member's Governmental Unit. The Requesting Member shall notify a Director of a Critical Incident and a Director shall utilize the designated Notification System to Call Out the Deployment Team for deployment of the Fencing. The Deployment Team shall then respond to the Requesting Member to unload and assemble the Fencing at the Deployment Site. The process to request deployment and demobilization of the Fencing shall occur in accordance with this Agreement and the policies and procedures adopted by the Board. The Deployment Team Manager shall be responsible for coordinating the deployment and demobilization of the Fencing.
- 5.2. **Requesting Member Obligations.** A Requesting Member requesting deployment of the Fencing for a Critical Incident occurring in the Member's jurisdiction shall be responsible for the following:
 - (a) Providing security for the Deployment Team while it is conducting its work at the Deployment Site;
 - (b) Provide any equipment that may be needed to deploy or demobilize the Fencing that is not provided by the Vendor;

- (c) Pay the Vendor charges for the actual use of the Fencing. Such payments are to be made directly to the Vendor unless directed otherwise by the Board;
 - (d) Providing food, water, first aid, and similar support to the Deployment Team as may reasonably be needed;
 - (e) Contacting the Board or the Board's designee if there are any issues with the Fencing once it is in place; and
 - (f) Complying with Board policies and procedures applicable to a Requesting Member, including avoiding any activities that may unreasonably damage the Fencing or expose the Deployment Team to an unreasonable risk.
- 5.3. **Discretionary Deployment.** A Member may make a request to the Board for the deployment of the Fencing in the Member's Governmental Unit for an event or occurrence other than a Critical Incident. The deployment of the Fencing for something other than a Critical Incident is left to the sole discretion of the Board. The Board shall consider all such requests at a meeting and determine whether to approve the Member's request. The Board shall adopt criteria or standards for determining when to allow the discretionary deployment of the Fencing and the requesting Member's obligations if the request is approved. The Board may delegate the authority to one or more Directors to determine whether to allow the discretionary deployment of the Fencing based on the criteria established by the Board.
- 5.4. **Non-Member Deployment.** The Board shall adopt standards and requirements for determining whether to allow the deployment of the Fencing in response to a Critical Incident that occurred in a non-member Governmental Unit. Nothing in this Agreement obligates the Fencing Consortium to deploy the Fencing to a non-member Governmental Unit.
- 5.5. **No Guarantee.** The Members understand and agree the deployment of the Fencing by the Deployment Team is a cooperative undertaking and that the Fencing Consortium cannot guarantee a certain response time or make any representations or warranties regarding response times, the Fencing, its assembly, or effectiveness. The Deployment Team will endeavor to respond as quickly as possible to a Critical Incident and to place the Fencing as shown in the Requesting Member's Fencing Preplan as provided in this Agreement and in accordance with Board policies and procedures.
- 5.6. **Demobilization.** The Member who receives the Fencing in response to a Critical Incident shall work with the Fencing Consortium to determine when to initiate the demobilization of the Fencing from the Deployment Site. For a discretionary deployment of the fence, the demobilization date shall be determined prior to the deployment. The Deployment Team shall be responsible for disassembling the Fencing as part of the demobilization. The Board shall establish such procedures and policies as may be needed to address the demobilization of the Fencing. The Board has the authority to recall the Fencing from a Member if it determines there is a more critical need for the Fencing in

another Governmental Unit that cannot be fulfilled by the remaining Fencing held by the Fencing Consortium.

ARTICLE VI MEMBERSHIP COSTS AND ASSESSMENTS

- 6.1. **Original Member Costs.** Each Original Member shall be responsible for paying a share of the Fencing costs based on the length of fence indicated in its Fencing Preplan as a percentage of the total amount of initial Fencing to be leased by the Board. The Board shall determine the amount each Original Member is required to pay and provide each an invoice together with a sheet showing the division of costs. Invoice shall be paid within 45 days of receipt.
- 6.2. **Additional Member Costs.** Each Additional Member shall be required to pay their share of the Fencing costs calculated as if they were an Original Member. Each Additional Member shall also be required to pay a Surcharge in the amount determined by the Board. The Surcharge is to pay the Additional Member's portion of the Member Assessment, any buy-in costs to cover a share of the Fencing and related costs, and to partially reimburse the costs paid by the existing Members. The Board shall apply the buy-in amounts collected to reduce the future charges to the existing Members.
- 6.3. **Member Assessments.** In addition to the initial Fencing costs each Member is required to pay, Members shall also be assessed for the on-going costs to operate and maintain the Fencing Consortium. These operational costs will be divided based on the Fencing costs formula and paid by each Member as a Member Assessment. The formula shall take into account the total length of Fencing held by the Fencing Consortium and then divided by the length of each Member's Fencing needs as indicated in the Fencing Preplan. The Board shall, as part of the annual budget, determine the total amount of the Member Assessments and the specific amount to be assessed each Member to pay the anticipated Fencing Consortium costs in the upcoming year.
- 6.4. **Payment of Member Assessments.** The Fencing Consortium shall invoice Members for their Member Assessment amount for the upcoming year. Invoices are to be sent no later than January 15th in the year for which the assessment is being imposed. Members shall pay their invoices in full within 45 days from the date of the invoice.
- 6.5. **Default.** Any Member who breaches or otherwise fails to comply with the terms and conditions of this Agreement including, but not limited to, failure to pay its Member Assessment in full by the due date, shall be considered in default of this Agreement. Any dispute regarding whether a Member is in default shall be determined by a vote of the Board. A Member shall not be considered in default until it has been notified in writing by the Board of the condition placing it in default. The notice of default shall indicate the Member is not in good standing and may be expelled if the default is not cured within 90 days. If a Member fails to fully cure a default within 90 days of the notice of default, the Board may issue a written notice of expulsion from the Fencing Consortium. Upon such notice, the Governmental Unit is no longer a Member of the Fencing Consortium as if the

Governmental Unit voluntarily elected to terminate its membership in the Fencing Consortium as provided herein.

ARTICLE VII MEMBER STAFFING REQUIREMENTS

- 7.1. **Public Works Staff.** Each Member is expected to assign member(s) of its public works staff to serve on the Deployment Team to train with the Fencing and to participate in the unloading, assembly, and demobilization of the Fencing at a Deployment Site. The providing of public works staff is through the Public Works Mutual Aid Pact and is at each Member's own cost.
- 7.2. **Training.** The Deployment Team shall train with the Fencing at least three times a year to familiarize the Deployment Team with the Fencing and to help ensure its rapid assembly at a Deployment Site in response to a Call Out. The Board shall work with the Deployment Team to determine a reasonable training schedule that does not negatively impact their regular duties.
- 7.3. **Employees.** The members of the Deployment Team are not employees of the Fencing Consortium. The assigned members shall remain employees of their Governmental Unit for all purposes including, but not limited to, workers' compensation coverage.
- 7.4. **Equipment.** Any damage to or loss of Member equipment utilized by the Deployment Team shall be addressed as provided in the Public Works Mutual Aid Pact.
- 7.5. **Liability.** Liability for the acts of the Deployment Team when responding to a Call Out shall be addressed in accordance with the terms of the Public Works Mutual Aid Pact. For the purposes of the Public Works Mutual Aid Pact, the Requesting Member shall be the "Requesting Party" and each of the Members assigning personnel to the Deployment Team shall be a "Sending Party."

ARTICLE VIII BUDGETING AND FINANCIAL REPORTING

- 8.1. **Fiscal Year.** The fiscal year of the Fencing Consortium is the calendar year.
- 8.2. **Annual Budget.** The Board shall prepare and adopt an annual budget as provided in this section.
 - (a) **Proposed Budget.** The Board shall prepare and approve a proposed budget for the upcoming fiscal year. The proposed budget shall account for all anticipated costs in

the upcoming year and indicate the amounts proposed to be assessed to the Members.

- (b) Notice to Members. The Board shall adopt a proposed budget and distribute it to the Members by no later than June 1st each year. Members may submit written comments to the Board regarding the proposed budget by no later than July 1st.
- (c) Final Budget. The Board shall consider the comments received from Members and shall act to adopt a final budget by no later than August 31st. The Board shall distribute a copy of the adopted annual budget to the Members. To reduce administrative costs given the potential number of Members, the Board may send notices and otherwise communicate with Members using email messages in lieu of mailing.

ARTICLE IX INSURANCE AND INDEMNIFICATION

- 9.1 **Insurance**. The Fencing Consortium shall purchase and maintain such insurance policies as the Board determines is necessary and appropriate to cover the Fencing Consortium, the Board, its operations, and, if required, the Fencing. By purchasing insurance the Members, the Fencing Consortium, and the Board do not waive, and shall not be construed as having waived, any exemptions, immunities, or limitations on liability provided by any applicable Minnesota Law, including Minnesota Statutes, Chapter 466 and section 471.59, subdivision 1a. Any uninsured liabilities incurred by the Fencing Consortium shall be paid by the Members in the same percentage as their Member Assessments as set out in this Agreement.
- 9.2 **Director Indemnification**. The Fencing Consortium shall defend and indemnify its Directors from any claim or damages levied against a Director arising out of the Director's lawful acts or omissions made or occurring in the good faith performance of their duties on the Board. The Fencing Consortium is not required to indemnify a Director for any act or omission for which the Director is guilty of malfeasance, willful neglect of duty, or bad faith.
- 9.3 **Member Indemnification**. The Fencing Consortium shall hold the Members harmless, individually and collectively, and will defend and indemnify the Members for any claims, suits, demands or causes of action for any damages or injuries based on allegations of negligence or omissions by the Fencing Consortium. The Fencing Consortium's duty to indemnify does not constitute, and shall not be construed as, a waiver by either the Fencing Consortium or any or all Members of any exemptions, immunities, or limitations on liability provided by law or of being treated as a single governmental unit as provided in Minnesota Statutes, section 471.59, subdivision 1a.
- 9.4 **Liability**. To the fullest extent permitted by law, this Agreement and the activities carried out hereunder thereof are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Members that they, together with the Board, shall be

deemed a “single governmental unit” for the purposes of liability, all as set forth in Minnesota Statutes, section 471.59, subdivision 1a. For purposes of the statute, each Member to this Agreement expressly declines responsibility for the acts or omissions of the other Members.

SECTION X DISPUTE RESOLUTION

- 10.1 **Dispute Resolution Process.** The Members agree to engage in good faith to attempt to resolve any disputes that may arise over the establishment, operation, or maintenance of the Fencing Consortium. If a dispute is not resolved informally, the Members agree to use the following process to attempt to resolve any dispute they may have related to the Fencing Consortium.
- (a) Written Notice of Dispute. Any Member with a dispute regarding the Fencing Consortium or the Board may submit a written explanation of its dispute to the Fencing Consortium and to each Member. The Board shall make the email list of Members available for the purpose of providing this notice. The explanation of the dispute must be detailed, not repetitive of a dispute already addressed by the Board regarding the same Member, relate directly to a matter within the scope of the Fencing Consortium or of the Board’s powers, and must suggest a solution.
 - (b) Review and Response by Board. Upon the Fencing Consortium’s receipt of a written dispute it shall be placed on the agenda of the Board’s next scheduled regular meeting for consideration. The Board shall respond in writing to all properly submitted disputes within three months and shall provide each Member a copy of its response.
 - (c) Mediation. If the Member with the dispute is not satisfied with the Board’s response, it may file a written request with the Board for mediation. If the Member and the Board are not able to mutually agree on a mediator, the Member and the Board shall each select a mediator and the two mediators shall select a third. Each party to the mediation shall be responsible for the cost of the mediator it selected and shall share equally in the costs of the mediation and of the third mediator.
 - (d) Binding Arbitration. If the dispute is not resolved in mediation, the aggrieved Member and the Board may agree to submit to a binding arbitration process. The arbitration shall be conducted in accordance with Minnesota Statutes, chapter 572B following the Commercial Arbitration Rules of the American Arbitration Association, unless the Board and the Member agree to follow different rules. The Members and the Board agree the decision of the arbitrator shall be binding on the Fencing Consortium and its Members.

SECTION XI WITHDRAWAL OF A MEMBER

- 11.1 **Process.** A Member may withdraw from the Fencing Consortium by providing written notice to the Board of its intent to withdraw. To avoid a withdrawal from interrupting the on-going payments for the costs of the Fencing, the effective date of the withdrawal will depend on its timing with respect to the Board's work to set the budget for the upcoming year. If the Board receives the withdrawal notice prior to May 1st in a year, the effective date of the withdrawal will be December 31st of the same year. If the Board receives the notice after May 1st, the withdrawal will be effective December 31st of the following year.
- 11.2 **Effect of Withdrawal.** The withdrawing Member shall be responsible for paying its full Member Assessment for the full year in which the withdrawal is effective. Recognizing the Fencing Consortium is an ongoing concern, the Members agree the withdrawing Member shall not receive any reimbursement of the amounts it has paid and is not entitled to any share in the assets of the Fencing Consortium. Upon the effective date of the withdrawal, the former Member shall no longer be considered a Member under this Agreement.

SECTION XII DISSOLUTION OF FENCING CONSORTIUM

- 12.1 **Dissolution Process.** The Fencing Consortium may only be dissolved by a joint resolution approved by four-fifths of the then current Members or by a unanimous vote of the entire Board on a dissolution resolution. Dissolution shall not be effective for at least six months from the adoption the resolution unless an earlier dissolution date is approved as part of the resolution. Prior to the effective date of the dissolution, the Board shall use the Fencing Consortium's assets to pay its outstanding obligations. If the assets on hand are not sufficient to pay all outstanding obligations, the Board shall impose a Member Assessment to collect sufficient funds to pay the outstanding amounts. The Board shall divide the amount needing to be collected by a Member Assessment using the same formula for other Member Assessments. The Fencing Consortium shall not be finally dissolved until its outstanding obligations are paid in full.
- 12.2 **Distribution of Assets and Property.** Upon dissolution, the Board shall distribute any remaining assets to the Members in proportion to the Member Assessment of each Member in effect as of the date of dissolution. The Board shall have the power to determine the best method for distributing the assets and to decide any disputes that may arise among the Members concerning such distribution.

SECTION XIII MISCELLANEOUS PROVISIONS

- 13.1 **Official Copy.** This Agreement is being entered into through the adoption by each Member and the Membership Resolution. The Board shall maintain the official copy of this Agreement and maintain a list of the Original Members and the Additional Members.

The official copy shall constitute the Agreement, which shall be binding on all of the Members.

- 13.2 **Data Practices.** The Fencing Consortium shall comply with the requirements of Minnesota Statutes, chapter 13, the Minnesota Government Data Practices Act (“Act”). The Vendor shall be required to comply with the Act as provided in Minnesota Statutes, section 13.05. The Vendor shall be required to notify the Board if it receives a data request and to work with the Fencing Consortium to respond to it.
- 13.3 **Notices.** Any notice required or permitted to be given to the Fencing Consortium under this Agreement shall be given in writing, and shall be sent by first class mail to its current address. Notice to each Member shall be given in writing by first class mail or email to the Member’s chief of police or other designated contact person.
- 13.4 **Waiver.** The delay or failure of any party of this Agreement at any time to require performance or compliance by any other party of any of its obligations under this Agreement shall in no way be deemed a waiver of those rights to require such performance or compliance.
- 13.5 **Governing Law.** The respective rights, obligations and remedies of the parties under this Agreement and the interpretation thereof shall be governed by the laws of the State of Minnesota which pertain to agreements made and to be performed in the State of Minnesota.
- 13.6 **Headings and Captions.** The headings and captions of these paragraphs and sections of this Agreement are included for convenience or reference only and shall not constitute a part hereof.
- 13.7 **No Third-Party Rights.** This Agreement is entered into for the sole benefit of the Members and no other parties are intended to be direct or incidental beneficiaries of this Agreement, and no third party shall have any right in, under, or to this Agreement.
- 13.8 **Good Faith.** Each Member shall act in good faith. In exercising its rights and fulfilling its obligations under this Agreement, each party acknowledges that this Agreement contemplates cooperation between and among the parties.
- 13.9 **Entire Agreement.** This Agreement, including the recitals and all of the Membership Resolutions, contains the entire understanding between the Members concerning the subject matter hereof.
- 13.10 **Amendments.** Amendments to this Agreement may be proposed by the Board or by at least 10% of the Members submitting a proposed amendment to the Board. The Board shall forward proposed amendments to the Members in the form of an amendment resolution. The Board will only forward amendments proposed by Members if it determines the proposed amendments are lawful and not contrary to the primary purposes of this Agreement. Members adopting the amendment resolution shall return a copy of

the executed resolution to the Board. A proposed amendment shall be considered approved if the amendment resolution is adopted by at least 90% of the then current Members.

- 13.11 **Examination of Books.** Pursuant to Minnesota Statutes, section 16C.05, Subd. 5, the books, records, documents and accounting procedures and practices of the Fencing Consortium and the Vendor are subject to examination by the State. Members may examine the financial records of the Fencing Consortium upon reasonable request.
- 13.12 **Recitals and Exhibits Incorporated.** The recitals contained herein, and the Membership Resolutions, are incorporated in and made part of this Agreement.

IN WITNESS WHEREOF, the Members have, by adoption and execution of the Membership Resolution, entered into this Agreement as of the Effective Date or, if an Additional Member, as of the date of acceptance by the Board of the Membership Resolution.

[A list of all Members is maintained by the Fencing Consortium.]



City Council Action Request

3C

Meeting Date	8/31/2022	
Department	Parks and Recreation	
Agenda Category	Bid Awards	
Title	River Oaks Golf Course Improvement Project Public Bid	
Staff Recommendation	Authorize resolution 2022-115 rejecting all bids for the River Oaks Golf Course Improvement Project.	
Budget Implication	N/A	
Attachments	Council Memo-R Oaks Bid Rejection.tif	2.94MB
	Resolution R Oaks.tif	1.89MB



To: Honorable Mayor and City Council
From: Zac Dockter, Parks and Recreation Director
Cc: Jennifer Levitt, City Administrator
Date: August 19, 2022
Subject: River Oaks Golf Course Improvement Project Public Bid

Introduction/Background

For the River Oaks Golf Course Improvement Project, the City received one bid. That bid was from Mid-America Golf in the amount of \$3,764,629.45.

At the time of setting the bid date, total project costs were estimated at \$3.2M. This included indirect costs meaning that the actual engineer's estimate for construction costs were \$2.7M.

Because we only received one bid and that bid was significantly over the engineer's construction cost estimate of \$2,700,000, staff is recommending Council resolution to reject all bids.

There are two areas of concern with the bid submitted. Only one bid received leads to the assumption that there is a lack of contractor availability within the proposed construction schedule. Additionally, the project team's irrigation specialist advised that the irrigation portion of the bid was as much as 50% over anticipated costs when comparing to similar golf course projects of this scope.

Staff will be meeting with the project development team over the coming weeks to strategize on project scope and timing to leverage a more favorable bidding environment. Staff will report back to Council as those discussions continue.

Staff Recommendation

Authorize resolution rejecting all bids for the River Oaks Golf Course Improvement Project.

CITY OF COTTAGE GROVE, MINNESOTA
CITY COUNCIL
RESOLUTION 2022 - 115

**RESOLUTION
REJECTING ALL BIDS FOR THE
RIVER OAKS GOLF COURSE IMPROVEMENTS PROJECT**

WHEREAS, the City solicited bids for the River Oaks Golf Course Improvement Project ("Project"); and

WHEREAS, the Engineer's construction estimate for the Project was \$2,700,000; and

WHEREAS, the City received only one bid from Mid-America Golf that exceeded the Engineer's construction estimate by \$1,064,629.45; and

WHEREAS, the City will consider revising or rebidding the Project at a later date.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Cottage Grove, County of Washington, State of Minnesota that the bid received from Mid-America Golf is hereby rejected.

Passed this 31st day of August, 2022.

Myron Bailey, Mayor

Attest:

Tamara Anderson, City Clerk



City Council Action Request

3D

Meeting Date	8/31/2022
Department	Administration
Agenda Category	Consent Agenda
Title	Mobile Food Unit License
Staff Recommendation	Approve the Mobile Food License for Thai KC Cuisine and Chip Thai Gourmet Kitchen.
Budget Implication	N/A
Attachments	Memo - Food Unit License - Thai KC Cuisine & Chip Thai Gourmet Kitchen.tif 1.57MB



To: Honorable Mayor and City Council Members
Jennifer Levitt, City Administrator
From: Tamara Anderson, City Clerk
Date: August 25, 2022
Subject: Mobile Food Unit Licenses

Background

The Council enacted a mobile food ordinance that established performance standards, insurance requirements, and licensing for the operation of mobile food units within City limits. Thai KC Cuisine and Chip Thai Gourmet Kitchen have met those requirements and have been approved for licensing.

Recommendation

Staff is recommending that Thai KC Cuisine and Chip Thai Gourmet Kitchen be issued a Mobile Food Unit license through December 31, 2022.



City Council Action Request

3E

Meeting Date	8/31/2022	
Department	Administration	
Agenda Category	Consent Agenda	
Title	Massage Therapist License	
Staff Recommendation	Authorize issuance of a massage therapist license to Andy Teng Yang, who will be working at Whole Health Massage, 8800 East Pt. Douglas Rd. S.	
Budget Implication	N/A	
Attachments	Memo - Massage Therapist (Andy Yang).tif	5.18MB



To: Honorable Mayor and City Council Members
From: Tamara Anderson, City Clerk
Date: 8/25/2022
Subject: Massage Therapist License Application – Andy Yang

Application

On August 8, 2022, Andy Teng Yang applied to operate as a licensed massage therapist at the business named Whole Health Massage, 8800 East Point Douglas Road South, Cottage Grove, MN 55016.

Background Investigation

The Public Safety Department conducted a background investigation of Mr. Yang and did not find anything that would constitute a basis for denial of the application.

I searched the disciplinary actions posted by the MN Department of Health Office of Unlicensed Complementary and Alternative Health Care Practice and did not find any actions posted against Mr. Yang.

Mr. Yang holds, or has held, a Massage Therapy License in the City of Forest Lake, MN. Separate, approving, massage license background checks were conducted by the City of Forest Lake, MN. Both were cleared showing no concerns or disqualifiers.

Proof of Education/Certificate

The City of Cottage Grove requires that proof of education/certification in compliance with our City Code be sent directly to us from the institution, program, or examining board. I received a transcript directly from Everest Institute stating that Mr. Yang holds a Massage Therapy Certificate. Everest Institute is a nationally accredited school. This transcript meets the City's proof of education/certification listed below:

Must meet one of the following:

- a. Graduation from an institution or program in massage therapy that is accredited by an accrediting agency recognized by the United States Department of Education.
- b. Passing results of Massage and Bodywork Licensing Examination {MBLEx} administered by the Federation of State Massage Therapy Boards {FSMTB}, or the National Certification Exam for Therapeutic Massage {NCETM} or National Certification Exam for Therapeutic

- Massage & Bodywork {NCETMB) administered by the National Certification Board for Therapeutic Massage and Bodywork {NCBTMB).
- c. Board Certification in Therapeutic Massage & Bodywork {BCTMB) from the National Certification Board for Therapeutic Massage and Bodywork

Staff Recommendation

Authorize issuance of massage business and massage therapist license to Andy Teng Yang.



City Council Action Request

3F

Meeting Date	8/31/2022	
Department	Finance	
Agenda Category	Agenda Item	
Title	Long-Term Financial Management Plan	
Staff Recommendation	Approve proposal for the preparation of a Long-Term Financial Management Plan	
Budget Implication	Funded with Closed Debt Fund	
Attachments	CC Memo Long-Term Financial Management Plan Proposal.tif	85.21KB
	Cottage Grove FMP Proposal.tif	387.05KB



To: Honorable Mayor and City Council Members
Jennifer Levitt, City Administrator

From: Brenda Malinowski, Finance Director

Date: August 23, 2022

Subject: Long-Term Financial Management Plan Proposal

Introduction/Discussion

During the Budget and Capital Improvement Plan (CIP) workshops, there was discussion regarding the impacts of future street projects and other capital improvement projects on future property tax levies and the possible tax burden impacts of these projects. It was proposed to solicit a proposal from Ehlers to prepare a Long-Term Financial Management Plan.

The Long-Term Financial Management Plan will be a ten-year plan and will incorporate such items as the Operating Budget including equipment replacement needs, the CIP, existing and future debt, tax base changes (including growth), and the long-term staffing plan. The Plan will help to identify other revenue sources. In addition, it will assist in identifying the impact of proposed future debt on our bond rating criteria.

Ehlers was chosen for the proposal due to their long-standing relationship with the city and thus their familiarity with our debt and operational needs. They have submitted a proposal based on an hourly basis. If Council would like to authorize the preparation of the Plan, the proposed funding source is the Closed Debt Fund.

Action Requested

Approve proposal from Ehlers for the preparation of a Long-Term Financial Management Plan.

August 15, 2022

Brenda Malinowski
Finance Director
City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016

RE: Proposal for a Long-Term Financial Management Plan

Dear Brenda,

On behalf of Ehlers, I am pleased to present this proposal to undertake customized long-term financial planning for the City of Cottage Grove. We are deeply appreciative of the relationship we have built with the City and hope our past efforts, along with this proposal, demonstrate our team's collective commitment and qualifications to deliver dynamic and practical financing planning – and to surpass your expectations for quality and value. We would be honored to serve you once again.

We understand the City is considering major investments in street reconstruction, various City facilities and parks over the next five to ten years and is concerned about adding to the tax burden of its residents and businesses to fund these projects. Ehlers can assist the City in evaluating the cost of these projects, prioritizing them along with other City needs, and determining the impact on taxpayers of all of the City's priorities. In addition, we can measure the impact of growth in the community to determine how the new tax base can offset some of these costs.

We can accomplish this with a **long-term Financial Management Plan** for the governmental funds that will provide a strategy for funding the City's priority projects and operations. It will let us ask, "What if?" For example, what if we delay a project? What if we need to add additional staff? What if we change our special assessment policy for street projects? The Financial Management Plan provides a tool to explore all these questions and develop a comprehensive funding strategy for the long-term operating and capital needs of the City.

For over 60 years, Ehlers has helped municipal clients build strong and vibrant communities through financial planning, debt issuance and management, and economic development consulting services. **In the last five years alone, our firm has completed 100+ long-term financial plans.** We appreciate the opportunity to work with the City of Cottage Grove to address your long-term funding needs.

Financial Management Plan

A Financial Management Plan (“FMP”) is a 10-year long-term operating budget and capital improvement plan with a funding strategy developed through facilitated discussions with staff and Council. It will guide the City’s financial future and determine how the City can fund its capital needs.

This comprehensive fiscal plan will integrate the City’s:

- Policy priorities
- Capital Improvement Plans
- Capital equipment needs
- Existing and future debt and bond rating criteria
- Tax base changes
- Future operating expenses, including staffing and facilities needs
- Alternative revenue sources

Ehlers will build a customized Excel model for the City of Cottage Grove with cashflow projections for each fund that roll up into a summary forecast.



We preliminarily propose including the following funds in the study:

- General Fund
- EDA Fund
- Debt Service Funds (12 funds including the Closed Debt Fund)
- Internal Service Funds (Insurance, Fleet, and IT)
- Golf Course Fund
- Ice Arena Fund
- Equipment Replacement Fund
- Municipal Building Fund
- Park Trust and/or Park Capital Improvements Fund
- Pavement Management Capital Project Fund

As part of developing the FMP, Ehlers will engage the Council in facilitated discussions to describe the projections and develop consensus. By understanding the financial impacts of decisions, the Council can establish spending priorities and develop consensus about an acceptable level of property taxes and other

revenues. The FMP will provide the Council and the public with an understanding how today's decisions will affect constituents in the future.

Staff and Council Meetings for the FMP

Ehlers' Scope of Work anticipates two meetings with staff and two meetings with the City Council. During the initial staff meeting, we will discuss policy issues prior to preparing a baseline model of the City's financial condition that incorporates existing operations, new staff and initiatives, plus all proposed capital expenditures. This baseline model will show financial impacts related to fund balances, tax impacts and trends and will be reviewed in a second meeting with staff.

After staff is comfortable with the projections and assumptions, we start the conversation with the Council. At the first meeting with the Council, we will show the financial impact of accomplishing all of the City's goals and determine if priorities need to be set between competing funding demands. We also explore options for additional revenues.

Based on staff and Council direction, we will then refine the FMP with up to two scenarios that alter the timing of capital projects, staffing additions and alternative revenue sources. After soliciting additional feedback, we will develop a fiscal strategy and make recommendations on financial policies at a second Council meeting or work session.

Financial Management Plan Deliverables

The FMP will deliver an achievable, comprehensive financial plan that has been reviewed by and agreed upon by the City Council.

The FMP includes:

- Annual projected budget numbers for each of the next 10 years
- Inclusion of all capital improvements identified by the City
- Inclusion of additional staffing and related equipment
- Expected changes in the tax base
- Facilitated Council discussions to reach consensus on prioritization of projects and potential new revenues
- Presentation materials for Council and City use

Most importantly, the FMP process will result in a feasible funding plan for all the City's operations and capital projects that have a tax impact. A more detailed description of the FMP is attached in [Appendix A](#).

Project Team

The Project Team for the FMP will consist of Stacie Kvilvang, Elizabeth Diaz and Kyle Sawyer. Together, this team has over 40 years of experience.

Project Schedule

The FMP schedule will be worked out with staff and timing of completion will depend on the availability of capital improvement plans, staffing plans and timing of Council workshop and meeting schedules.

Proposed Cost

Ehlers proposes to complete the FMP on an hourly basis at the hourly rate of \$260. Based on the number of funds and our experience with the City, we anticipate the cost will be between \$35,000 and \$45,000 and you will only be billed for actual time spent working on the FMP. The cost of the project may be included in future bond financing for one of the street projects.

Ehlers is committed to delivering, and showing value, in our work.

Thank you for engaging with us in your financial planning discussion. We appreciate your consideration and look forward to discussing how Ehlers can best serve the City.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stacie Kvilvang', with a long horizontal line extending to the right.

Stacie Kvilvang
Senior Municipal Advisor

Appendix A

Scope of Work: Financial Management Plan

The Financial Management Plan (“FMP”) will be completed in the following steps.

Step 1. **Review City’s current financial position, policies and practices.**

Step 2. **Aggregate and outline all future capital needs and program requests** from the city’s departments. A comprehensive list of major capital items and operational needs will be developed with the staff leadership.

Step 3. **Assist in identifying other policy issues to be discussed and establish a framework for such discussion.**

Step 4. **Evaluate the impact of any tax base changes.** Potential changes in the tax base due to growth, redevelopment or anticipated business closures will be included in the FMP model, as well as expiring TIF Districts.

Step 5. **Create the FMP Base Model** that shows the impact of including all capital requests. The Model will follow the City’s financial statements and show projected ending cash balances for each fund for each of the next ten years.

Step 6. **Analyze options** to best meet the City’s needs. Options might include varying the timing of capital projects, changing capital funding policies, or modeling alternative revenue sources. The financial impact, including determining bond rating impact(s), of up to two scenarios will be shown.

Step 7. **Prepare an achievable, comprehensive financial plan** that helps the City fund capital and operating priorities and builds Council consensus



City Council Action Request

4A

Meeting Date 8/31/2022

Department Finance

Agenda Category Workshop

Title 2023 Budget and Property Tax Levy

Staff

Recommendation

Budget Implication N/A

Attachments	01 CC Memo 2023 Workshop regarding budget and tax levy 08-31-2022.tif	14.27MB
	02 2022 Levy to 2023 Proposed Levy.tif	11.01MB
	03 Resential-City Property Tax Analysis.tif	271.91KB
	04 Commercial-City Property Tax Analysis.tif	217.28KB
	05 Property Tax Levy.tif	67.47KB

To: Mayor and City Council Members
Jennifer Levitt, City Administrator

From: Brenda Malinowski, Finance Director

Date: August 23, 2022

Subject: 2023 Budget Workshop/Tax Levy

Introduction

The annual budget process is guided by policies, ordinances, and the Strategic Plan that have been adopted by the City Council. This year, the budget process began in January.

Strategic Planning sessions were held in January and February. Four Strategic Initiatives were identified that have been used throughout the budget process.

- Managing Sustainable Growth
- Reforming Organizational Culture
- Recreational Destination
- Engaging Community

In addition, the highest priorities identified in the long-term staffing plan have been included in the budget process.

A Council workshop was held in May to receive Council direction on the preparation of the Operating Budget and Property Tax Levy.

Based on direction received at the May workshop, departments prepared their departmental budget requests. Department budget meetings were held with the Budget Team in June and early July. A Proposed Budget was prepared based on the feedback from these meetings and presented to Council during July and August.

The purpose of the workshop on August 31st, is to review the proposed 2023 Operating Budget and Property Tax Levy based on Council feedback from the prior workshops.

The upcoming budget schedule is outlined below:

1. September 7th – Adopt the Preliminary Property Tax Levy
2. October 5th – Air Mayor's Moment regarding the Budget
3. October 15th – Cottage Grove Reports Article on Budget
4. November 9th – Truth and Taxation Video Airs
5. November 29th – Open House to answer questions on Truth and Taxation Notice and provide an opportunity for public engagement and questions on Budget.
6. December 7th – Adopt the final Budget

Discussion:**Proposed Budget and Property Tax Levy**

Since the Council workshops in July and August, the following changes have been included in the Proposed Preliminary Budget and Property Tax Levy outlined below.

- Addition of the Public Service Worker-Parks to begin on April 1st.
- Addition of equipment and truck for the new PSW-Parks
- Addition of warning siren replacement (replacement of pre-1986 siren at 95th/Islay)
- Addition of plants and park court resurfacing
- Delay of the start of the Public Service Worker-Streets until April 1st based on feedback from the Public Works Department
- Addition of Red Dot for Public Safety
- Decrease in property tax debt levy by \$250,000. Closed Debt Funds to be utilized for this debt levy.
- Add PSCH office remodeling discussed at CIP workshop. Fund with \$75,000 Municipal Building Fund and remainder with 2022 permit revenue.

With these changes the levy increase that had been proposed at 13.09% has decreased to 12.60%. (These changes are highlighted in peach on the attachment, 2022 Levy to 2023 Proposed Levy.

Property Taxes Levy			
	Certified 2022	Proposed 2023	% Change
General Operating Levy			
General Fund	\$15,160,000	\$17,485,270	
PSCH Interfund Loan	250,000	250,000	
Economic Development	125,000	125,000	
Total General Operating Levy	15,535,000	17,860,270	14.97%
Total Debt Levy	\$2,804,000	\$2,789,440	-.52%
Total Gross Levy	\$18,339,000	\$20,649,710	12.60%

At the total proposed levy of \$20,649,710, the 2023 General Fund budget is in balance.

Taxable Values

Estimated taxable values were received on 08/19/2022 from Washington County that are higher than previous estimates.

Tax Capacity Value			
	Payable 2022	Estimated Taxable Values 2023	% Change
Real Estate	\$46,177,154	\$57,717,449	
Personal Property	621,001	620,968	
Subtotal Tax Capacity Value	46,798,155	58,338,417	24.66%*
Less: Tax Increment	(1,712,512)	(1,822,996)	
Less: Fiscal Disparity Contribution	(3,080,148)	(3,354,997)	
Net Tax Capacity Value	\$42,005,495	\$53,160,424	26.56%

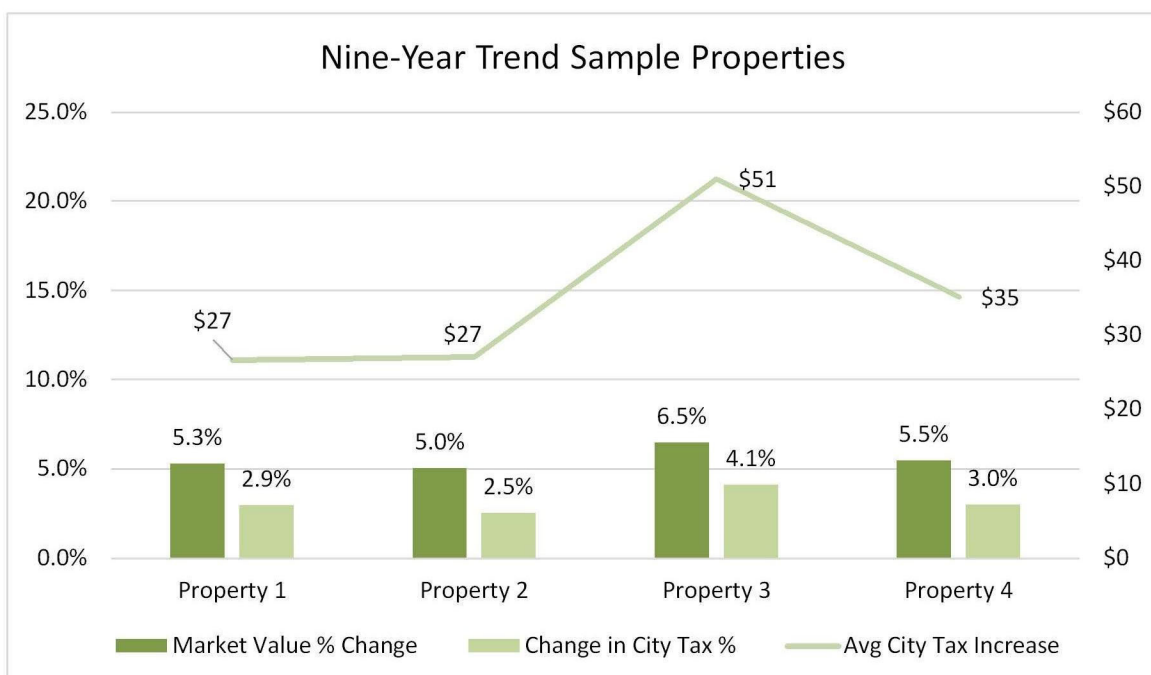
*4% of the Increase is due to New Construction and the remainder is due to taxable market value changes. These values have had a positive impact on the proposed 2023 tax rate.

Tax Rate

The City's Property tax rate is calculated by dividing the Net Tax Levy (Gross Levy less Fiscal Disparities Distribution) by the Net Tax Capacity Value. Based on the changes to the Property Tax Levy, and the increases in the Taxable Values, the Proposed Property Tax Rate is proposed to decrease from 37.15% in 2022 to 33.65% in 2023.



Based on this Proposed Tax Rate, the four sample properties will experience an average \$130 city property tax increase from 2022. (*Note-This is a decrease of approximately \$60 per property as compared with the information shared at the Budget Workshops in July and August.*). In addition, the four sample properties will realize nine-year average city tax increases less than the average market value increase for each property.



Factors Affecting the Proposed Budget

Inflation factors affected the Proposed Budget. Inflation was calculated at 8.5% in July when compared to one-year ago. These inflationary increases were needed to be included in this Proposed Budget in order to deliver the same current level of services.

Personnel

- Union contracts are settled through 12/31/24 at 3% per year. These contracts have been incorporated into the 2023 Budget.
- The 2023 Budget includes the addition of the following positions in order to maintain or enhance level of service:
 - Fire Marshal (PT to FT)
 - Entry level Planner
 - Public Service Worker-Streets
 - Public Service Worker-Parks
 - City Engineer
 - Criminal Analyst (reclassification)
 - Utility Billing Clerk (Funded by Utility Budgets)
 - Public Service Worker-Utilities (Funded by 3M Settlement)
 - Public Service Worker-Building Maintenance (Funded by HERO Center)

Commodities and Contractual

- Commodities and Contractual Services have been included at a 3% increase from the 2022 Budget. Fuel and IT Services have higher increases due to inflationary factors.

Debt

- It is proposed to use \$250,000 from the Closed Debt Fund for the Debt Service Levy in the Proposed Property Tax Levy.

The following items are included with this memo:

- 2022 Levy to 2023 Proposed Levy
- City Property Tax Analysis of 4 Residential and 4 Commercial Properties based on the 12.60% levy increase
- Property Tax Levy

Action requested:

Provide feedback and direction regarding the 2023 Operating Budget and 2023 Property Tax Levy.

2022 Levy to 2023 Proposed Levy

2022 General Fund Operating Levy

Salary Changes for Existing Staff
Police Officer Contract Changes
Worker's Comp and Health Insurance Changes
Fund Associate Planner position
Fund FT Fire Marshal position
New Public Works position-Streets
New City Engineer position (No Levy Impact)
Engineering revenue increase
Commodity and Contractual Increases at 3%
Information Technology Changes
Information Technology Cyber Security
Fuel Changes
Fleet Management Changes
Building Maint Changes
Squad Changes (6 Squads in budget at \$68,000 each)
BA Parks Seasonal Staff
BA Parks Intern
BA Firearms Ammunition
BA Salt Price Increase
BA Parks Operating Supplies
BA Fire training agreement
BA Emergency Fencing
BA Parks Portable restrooms
BA Parks Waste Costs
Revenue Increases to offset Levy Increase
Decrease Transfers for Equipment
Add Utility Clerk position (no levy impact)
Add PSW-Water (no levy impact)
Add PSW-HERO (levy impact in bldg maint)
Delay-Public Works position-Streets Start 4/1
New Public Works position-Parks Start 4/1
BA Uniform for new parks position
BA Warning Siren
Warning Siren existing funds
BA Parks Court Resurfacing
BA Parks Plant price increase
BA Red Dot
New Parks Pickup
Balance Budget
2023 Proposed General Fund Operating Levy
Public Safety/City Hall Interfund Loan
Economic Development
2023 Proposed General Levies
2022 Debt Levy
Increase in debt levy
Utilize Close Debt Fund for \$250,000 of debt levy
2023 Proposed Debt Levy
Total 2023 Proposed Operating and Debt Levy

Levy	Current Levy Changes
\$ 15,160,000	
\$ 658,660	3.59%
\$ 115,000	0.63%
\$ 145,290	0.79%
\$ 91,100	0.50%
\$ 130,900	0.71%
\$ 95,000	0.52%
\$ 161,900	0.88%
\$ (125,000)	-0.68%
\$ 127,110	0.69%
\$ 152,605	0.83%
\$ 80,000	0.44%
\$ 70,150	0.38%
\$ 108,915	0.59%
\$ 117,800	0.64%
\$ 183,000	1.00%
\$ 16,320	0.09%
\$ 8,800	0.05%
\$ 15,000	0.08%
\$ 22,350	0.12%
\$ 10,000	0.05%
\$ 8,000	0.04%
\$ 7,000	0.04%
\$ 10,000	0.05%
\$ 4,650	0.03%
\$ (1,340)	-0.01%
\$ (45,000)	-0.25%
\$ (23,750)	-0.13%
\$ 67,500	0.37%
\$ 620	0.00%
\$ 10,000	0.05%
\$ 17,000	0.09%
\$ 3,570	0.02%
\$ 12,450	0.07%
\$ 30,000	0.16%
\$ 55,000	0.30%
\$ (15,330)	-0.08%
\$ 17,485,270	12.68%
\$ 250,000	
\$ 125,000	
\$ 17,860,270	12.68%
\$ 2,804,000	
\$ 235,440	1.28%
\$ (250,000)	-1.36%
\$ 2,789,440	-0.08%
\$ 20,649,710	12.60%

* Assumes same permit revenue as in 2022 Budget

Items removed from 2023 Budget

BA PSCH-Garage floor sealing (Fund in 2022)	\$ 67,000	0.37%
BA for Coating garage floors at CFS (Fund in 2022)	\$ 67,260	0.37%
BA for Agenda Software (Fund in 2022)	\$ 25,000	0.14%
BA for Recodification (Fund in 2022)	\$ 25,000	0.14%
BA for Subdivision Ordinance (Fund in 2022)	\$ 20,000	0.11%
BA for Parks Natural Resource Inventory	\$ 50,000	0.27%
PSCH Remodel discussed at CIP Workshop (Fund in 2022)	\$ 131,265	0.72%
Delay replacement of Police 16 Ford (Admin vehicle)	\$ 45,000	0.25%
Delay purchase of new Police Admin vehicle	\$ 45,000	0.25%
	\$ 475,525	2.59%

Sample Residential Properties-Property Tax Impacts

Property I.D.	year	Market Value	change %	City tax	change \$	change in City tax %
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Property 1	2015	\$ 233,200	10.57%	\$ 902	\$ 58	6.87%
	2016	\$ 236,500	1.42%	\$ 951	\$ 49	5.43%
	2017	\$ 237,400	0.38%	\$ 1,011	\$ 60	6.31%
	2018	\$ 248,400	4.63%	\$ 952	\$ (59)	-5.84%
	2019	\$ 257,200	3.54%	\$ 947	\$ (5)	-0.53%
	2020	\$ 267,100	3.85%	\$ 991	\$ 44	4.65%
	2021	\$ 282,400	5.73%	\$ 1,011	\$ 20	2.02%
	2022	\$ 273,800	-3.05%	\$ 973	\$ (38)	-3.76%
	2023	\$ 329,600	20.38%	\$ 1,084	\$ 111	11.37%
Nine-year average			5.3%		\$ 27	2.9%

Property 2	2015	\$ 265,800	8.89%	\$ 1,050	\$ 48	4.79%
	2016	\$ 267,000	0.45%	\$ 1,095	\$ 45	4.29%
	2017	\$ 269,300	0.86%	\$ 1,102	\$ 7	0.64%
	2018	\$ 279,300	3.71%	\$ 1,084	\$ (18)	-1.63%
	2019	\$ 289,700	3.72%	\$ 1,085	\$ 1	0.09%
	2020	\$ 298,300	2.97%	\$ 1,128	\$ 43	3.96%
	2021	\$ 318,100	6.64%	\$ 1,156	\$ 28	2.48%
	2022	\$ 310,300	-2.45%	\$ 1,121	\$ (35)	-3.03%
	2023	\$ 373,600	20.40%	\$ 1,245	\$ 124	11.06%
Nine-year average			5.0%		\$ 27	2.5%

Property 3	2015	\$ 286,400	7.03%	\$ 1,143	\$ 28	2.51%
	2016	\$ 291,300	1.71%	\$ 1,209	\$ 66	5.77%
	2017	\$ 331,900	13.94%	\$ 1,395	\$ 186	15.38%
	2018	\$ 330,400	-0.45%	\$ 1,310	\$ (85)	-6.09%
	2019	\$ 344,200	4.18%	\$ 1,316	\$ 6	0.46%
	2020	\$ 370,400	7.61%	\$ 1,436	\$ 120	9.12%
	2021	\$ 379,800	2.54%	\$ 1,407	\$ (29)	-2.02%
	2022	\$ 384,900	1.34%	\$ 1,424	\$ 17	1.21%
	2023	\$ 463,300	20.37%	\$ 1,574	\$ 150	10.53%
Nine-year average			6.5%		\$ 51	4.1%

Property 4	2015	\$ 276,900	6.54%	\$ 1,101	\$ 23	2.13%
	2016	\$ 279,000	0.76%	\$ 1,151	\$ 50	4.54%
	2017	\$ 287,900	3.19%	\$ 1,190	\$ 39	3.39%
	2018	\$ 312,300	8.48%	\$ 1,230	\$ 40	3.36%
	2019	\$ 324,100	3.78%	\$ 1,231	\$ 1	0.08%
	2020	\$ 332,100	2.47%	\$ 1,272	\$ 41	3.33%
	2021	\$ 331,500	-0.18%	\$ 1,211	\$ (61)	-4.80%
	2022	\$ 344,100	3.80%	\$ 1,258	\$ 47	3.88%
	2023	\$ 414,300	20.40%	\$ 1,394	\$ 136	10.83%
Nine-year average			5.5%		\$ 35	3.0%

Sample Commercial/Industrial Properties-Property Tax Impacts

year	Market Value	change %	City tax	change \$	change in City tax %
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2020	\$ 402,800		\$ 1,842		
2021	\$ 402,800	0.00%	\$ 1,819	\$ (23)	-1.23%
2022	\$ 458,200	-3.05%	\$ 2,062	\$ 243	13.36%
2023	\$ 458,200	0.00%	\$ 1,869	\$ (194)	-9.39%
Three-year average				\$ 9	0.91%

2020	\$ 8,250,000		\$ 41,422		
2021	\$ 8,875,000	7.58%	\$ 44,011	\$ 2,589	6.25%
2022	\$ 9,703,300	9.33%	\$ 47,385	\$ 3,373	7.66%
2023	\$ 9,703,300	0.00%	\$ 42,935	\$ (4,450)	-9.39%
Three-year average				\$ 504	1.51%

2020	\$ 1,511,600		\$ 7,435		
2021	\$ 1,511,600	0.00%	\$ 7,341	\$ (94)	-1.26%
2022	\$ 1,516,800	0.34%	\$ 7,252	\$ (89)	-1.21%
2023	\$ 1,516,800	0.00%	\$ 6,571	\$ (681)	-9.39%
Three-year average				\$ (288)	-3.96%

2020	\$ 190,300		\$ 771		
2021	\$ 190,300	0.00%	\$ 761	\$ (10)	-1.30%
2022	\$ 211,400	11.09%	\$ 853	\$ 92	12.03%
2023	\$ 246,300	16.51%	\$ 927	\$ 75	8.79%
Three-year average				\$ 52	6.51%

2020	\$ 69,700		\$ 263		
2021	\$ 69,700	0.00%	\$ 260	\$ (3)	-1.14%
2022	\$ 51,000	-26.83%	\$ 188	\$ (72)	-27.88%
2023	\$ 65,800	29.02%	\$ 219	\$ 32	16.90%
Three-year average				\$ (15)	-4.04%

Note-Preliminary Esitmates. Taxes will change due to Fiscal Disparities.

**CITY OF COTTAGE GROVE
PROPERTY TAX LEVY**

Fund		Adopted 2021	Adopted 2022	Proposed 2023	Proposed 2024
	General Levies				
100	General Fund	\$ 14,637,785	\$ 15,160,000	\$ 17,485,270	\$ 20,019,131
525	Public Safety/City Hall interfund loan	250,000	250,000	250,000	250,000
285	Economic Development	125,000	125,000	125,000	125,000
	Total levy subject to limit	15,012,785	15,535,000	17,860,270	20,394,131
	Debt Levies				
369	GO Refunding bonds 2016A	200,000	220,000	220,000	220,000
371	GO CIP Bonds 2017A (fire station)	620,000	610,000	610,000	610,000
315	GO CIP Bonds 2019A (HERO)	297,000	250,000	250,000	250,000
305	Equipment Certificates Ice Arena 10 yr	349,500	350,000	350,000	350,000
492	Pavement Mgmt bonds 2015	200,000	200,000	300,000	300,000
493	Pavement Mgmt bonds 2016/2017	150,000	200,000	200,000	200,000
310	GO Improvement bonds 2018A (Ravine Parkway)	280,000	350,000	350,000	350,000
491	Pavement Mgmt 2013	300,000	250,000	-	-
330	GO imp refunding bonds 2021B			514,440	500,000
	Reduction in Pavement Management Bonds			(250,000)	
330	Pavement Mgmt bonds 2021A	180,000	150,000	245,000	245,000
	2023 Debt Issuance		224,000		861,350
	Total debt levy	2,576,500	2,804,000	2,789,440	3,886,350
	Total Gross levy	17,589,285	18,339,000	20,649,710	24,280,481
	Change in Gross levy	3.99%	4.26%	12.60%	17.58%



City Council Action Request

4B

Meeting Date	8/31/2022	
Department	Administration	
Agenda Category	Workshop	
Title	2023 Budget - Communications Plan	
Staff		
Recommendation		
Budget Implication	N/A	
Attachments	Memo - Budget Communications Plan.tif	13.68MB



To: Honorable Mayor and City Council

From: Julie Prior-Miller, Communications and Marketing Specialist

Date: August 26, 2022

Subject: Budget Communication Plan

Introduction

Over the course of the past decade, the City of Cottage Grove has been deliberate in its goal to provide residents with the information regarding the City's Annual Operating Budget. Typically, this communication is provided during the month of August and/or September, prior to the September 30 deadline for the Council to set a preliminary levy. During the aforementioned time period, communications teams and City Councils have tried a number of different avenues or methods to provide this information to residents, at times asking for citizen engagement. The relevant question currently before us remains "how would the Council like the 2023 budget and proposed levy increase communicated to the general public?" The communications goal is to inform resident taxpayers how their tax dollars are proposed to be spent in the coming year.

History

In 2010 and 2011, City leaders hosted an Open House Meeting at City Hall inviting the public to come and engage with department heads about goals, priorities, and spending allocations. Each department had their own space, so residents were able to ask each of them their questions.

From 2012-2016 residents were invited to a special meeting where the Finance Director ran through all the budgets for the Council and any members of the public who wished to attend.

In 2017 and 2018, staff members set-up a 40-minute Facebook Live Budget Presentation event with the Finance Director.

For the past five years the city has produced budget videos in partnership with the South Washington County Telecommunications Commission (SWCTC).

Communications Narrative and Key Messages

City Council members and staff began meeting in May 2022, to begin budget conversations for the 2023 final budget. The purpose of the meeting was to provide guidance to staff on their priorities in the face of rising inflation, supply shortages and the new challenges growth in population brings.

Councils' guidance established they did not want to see the tremendous level of service our residents have come to enjoy and appreciate be diminished.

While the city has been challenged by rising inflation and supply shortages, which continues to raise commodity prices and fees for services, our task now is to continue to provide residents with the same level of service we have been providing over the years.

Things such as, plowing roads in a timely manner, supporting our public safety department's mental health needs, enhancing our cyber security, addressing traffic issues at East Point Douglas and Jamaica, maintaining our parks, and increasing our Fire Marshall's status from part-time to full-time are some of the things the city requires to maintain status quo levels of services to our residents.

You might ask with all the new housing in the City of Cottage Grove, why can't the increased tax base funds cover our current needs?

The answer includes a few reasons.

1. The city is not immune to what our residents are experiencing at the pump and at the grocery store. The impacts of inflation and supply shortages were experienced in each department of the city. Fuel costs increased for our squad cars, plow trucks and general fleet. The price for salt to keep our roads safe in the winter increased. Asphalt prices for patching and maintaining roads rose.
2. While it is true the city's tax base has grown through the last nine years, so too have the needs of a rising population. The addition of roads, trails, parks, and public safety services all need to expand with the expansion of a population.
3. While the uncertainty of the pandemic continued to reveal itself for longer than anyone thought, city officials were steadfast and resolute about 'holding the line' for our residents in the face of such uncertainty. With Minnesota now seeing an unemployment rate at an all-time low and inflation costs at an all-time high, the city has identified the need to increase their property tax levy to maintain services.

Tax rate and property valuations

The benefit of the significant rise in property valuations is that property tax rates will continue to fall more swiftly for the fiscal year 2023 and conceivably beyond.

The city's tax rate is calculated by the net levy divided by the tax capacity. The new construction growth we've seen, and the market value increase of residential homes are causing our tax rate to fall to historic lows.

Here are the facts:

- The recommended levy increase is 12.6%.
- A typical home over the past nine years has seen an average property tax increase of approximately \$27 per year.
- With this levy increase, that home valued at \$329,600 (a 'typical' price in Cottage Grove) experienced a 20.4% increase in value and will experience an increase of \$111 or 11.4% on their property taxes.
- The city property tax levy per capita is lower than our peer communities.

Property Tax Levy Comparison per Capita

City	2022 Levy*	2022 Levy per capita**
St. Paul Park	\$ 2,442,807	\$ 443.35
Oakdale	14,343,622	509.81
Cottage Grove	20,649,710	521.39
Woodbury	41,726,885	551.05
Forest Lake	12,278,700	584.95
Lake Elmo	7,468,748	590.18
Hugo	9,590,175	596.74
Mahtomedi	5,375,536	659.49
Stillwater	15,967,797	820.38
Afton	2,524,653	851.20
Newport	3,255,350	836.85
Oak Park Heights	6,034,373	1,249.35

*Cottage Grove is based on 2023 Proposed Property Tax Levy. Other Cities are based on 2022 Property Tax Levy.

**Population Estimates are 2021 Met Council Population Estimate which is 39,605 for Cottage Grove.

Cottage Grove continues to provide the same level of services and programs to residents while providing the best value for their tax dollar.

Proposed Communications Timeline and Channels of Communication

- August 31 – Final budget direction from council and communication plan.
- September 7 – Adoption of the preliminary levy.

- October 5 – Air Mayor’s Moment (video) explaining the budget process and how council landed on the 12.6% levy increase.
- October 15 – Cottage Grove Reports will include an article on the budget.
- November 9 – Truth-in-Taxation (video). The video will explain to residents what the new Truth and Taxation requirements mean.
- November 29 – Open house to answer questions on Truth-in-Taxation notice and provide an opportunity for public engagement and questions on budget.
- December 7 – Adoption of the final budget.

Recommendation

Provide direction on the 2023 communications plan.