

COTTAGE GROVE CITY COUNCIL

12800 RAVINE PARKWAY SOUTH

COTTAGE GROVE, MN 55016

COUNCIL CHAMBER - 7:00 P.M

January 22, 2025

1. CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a regular meeting on January 22, 2025, at Cottage Grove City Hall, 12800 Ravine Parkway. Mayor Bailey called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

The audience, staff, and City Council Members stood and recited the Pledge of Allegiance.

3. ROLL CALL

City Clerk Tammy Anderson called the roll: Mayor Bailey-Here; Council Member Clausen-Here; Council Member Garza-Here; Council Member Olsen-Here; Council Member Thiede-Here.

Also present: Jennifer Levitt, City Administrator; Tammy Anderson, City Clerk; Ryan Burfeind, Public Works Director; Zac Dockter, Parks and Recreation Director; Pete Koerner, Public Safety Director; Korine Land, City Attorney-LeVander, Gillen & Miller, PA; Brenda Malinowski, Finance Director; Emily Schmitz, Community Development Director; Gary Orloff, Streets Superintendent; Phil Jent, Communication Manager; Brad Peterson, Public Safety Captain.

4. OPEN FORUM

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

5. ADOPTION OF AGENDA

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

6. PRESENTATIONS

A. 2024 Annual Photo Contest Winners

Staff Recommendation: Receive presentation on Capture Cottage Grove winners.

Mayor Bailey said Phil Jents, our Communications Manager, is going to walk us through this; Mayor Bailey asked the Council Members to join him in front of the dais as the winners will eventually be invited up to take a picture with all of us.

Communications Manager, Phil Jents, introduced himself, said he's very happy, honored, and excited to be here tonight to talk about the 2024 Cottage Grove Annual Photo Contest. I told the folks I got to meet just a second ago that it's one of those things that while communicating for the City is always fun and exciting, this is one of those things where our folks get to have a little extra fun seeing all the great photos that our residents send in, including the ones that we're going to see here tonight.

Manager Jents said as we all know, Cottage Grove is a beautiful place to live, and many of our residents are talented and creative, such as the ones here tonight who sent in photos; this is why we do the photo contest every year to capture some of that talent and creativity and the beauty that's in our community. The *Capture Cottage Grove* contest has been an annual tradition I believe for about ten years or so, and we wrapped up 2024 with our photo contest that started on November and ran until December 9. All photos were considered for judging and were required to be from within the City of Cottage Grove itself and taken in the year 2024.

We had categories for the photos: Life in Cottage Grove, Business in Cottage Grove, Cottage Grove Parks & Landmarks, and Faces of Cottage Grove. I'll move through our excellent winners here.

Life in Cottage Grove: Submitted by Angie Schaffer, with a photo titled "Morning Run." This photo kind of explains itself, obviously, it's a morning sunrise; I don't know exactly where that location is but I'm a little envious of the view there, and this was one of our excellent winners.

Business in Cottage Grove: While that may not exactly look like a business, this photo submitted by Sabrina Thuringer, is titled "Easter Egg Hunt" at the Cottage Grove Ice Arena, with the model right here in the room with us; we're very honored to have Grayson joining us. Again, it's a photo that needs no explanation, it is just very adorable.

Cottage Grove Parks & Landmarks: Submitted by Joseph Pavel, is titled "Smoke on the Water." This was taken at Ravine Park, next door here. Joe said when I met him just a second ago that it's kind of a rare occurrence to see the fog happening over the pond there, but he was there at the right time and right place and got a good photo, so thanks for that.

Faces of Cottage Grove: Submitted by Ashley Thompson, and this must be Grizz, as the photo is titled "Grizz," and that one needs no explanation; it's just a very adorable photo of the dog.

Manager Jents stated that's really all I've got, other than in total we had a really good number of submissions, about 50 or so. It's always really fun combing through those photos, and it's hard to pick a favorite, but staff votes very diligently, reviewing all those photos. We're very happy and honored to have you all here and for submitting those photos. He said mayor, I'll turn it back to you.

Mayor Bailey said fantastic. Before we have all of you come up to present you with a certificate and some money, I just want to thank all of you, obviously, for participating in this contest. We get to use these photos, as you know, I think you might have been already getting them to sign off on it, in our marketing materials to show a little bit more about Cottage Grove. When you look at our publications, our Visitors Bureau, all the different things that we have, we always like to incorporate some of the photos that our citizens are submitting over the years on some of our City publications. So, you will see some of these photos out there, which is part of the reason why staff has asked for permission to be able to utilize those photos.

He asked all of the winners to come up, in front of the dais, where we will present you with the plaques and some money. Each of the Council Members took a photo, and the winning photographers each stood with their photo and a Council Member. After the winners were given their plaques and checks, a photograph was taken of all of the winners with Mayor Bailey and the City Council Members, and the winners were all congratulated.

Mayor Bailey thanked Manager Jents for facilitating that presentation.

7. CONSENT AGENDA

- A. Approve the November 20, 2024, City Council Regular Meeting Minutes.
- B. Approve the December 4, 2024, City Council Regular Meeting Minutes.
- C. Approve the December 18, 2024, City Council Regular Meeting Minutes.

- D. Approve the January 8, 2025, City Council Regular Meeting Minutes.
- E. Authorize issuance of a single-occasion gambling permit to David Gene Martin, on behalf of the Accacia Lodge No. 51, to conduct a raffle at 11094 70th Street South on October 4, 2025.
- F. Authorize issuance of a massage business license and massage therapist license to Savannah Marie Koenig at the location of Salons by JC (7240 East Point Douglas Road South, Suite 160, #36).
- G. Approve the agreement with Judith Graf for transcription services for 2025.
- H. Appoint the issuance of rental licenses to the properties listed in the attached table.
- I. Appoint Tony Khambata to fill the vacant seat on the Convention and Visitors Bureau Board of Directors to a three-year term ending on 12-31-2028.
- J. Approve and execute the non-criminal justice agency Joint Powers Agreement (NCJA JPA) with the Minnesota Bureau of Criminal Apprehension.
- K. Accept the Pay Equity Report to be submitted to the State of Minnesota.
- L. Adopt Resolution 2025-09, authorizing the abatement of utility billing certification in the amount of \$4,049.09.
- M. Adopt Ordinance 1092, amending the City Fee Table.
- N. Approve the increased budget amount of the Parks trailer from \$22,000 to \$23,898.88.
- O. Approve the Polco Confluence Inc. software subscription and support agreement in the amount of \$29,300.
- P. Staff recommends the approval for the purchase of FlowMSP SaaS in the amount of \$2,000 annually.
- Q. Staff recommends the approval of the KnowBe4 Security Awareness solution in the amount of \$11,298.
- R. Approve the 3M Draft NPDES Permit Comments.
- S. Adopt Resolution 2025-010 authorizing final payment of \$13,868.95 to Diverse Construction Services, LLC for the HERO Center Range Re-Roof project.
- T. Approve the Memorandum of Understanding with Washington County for the County 19A & 100th Street Project related to final design, environmental documentation, and municipal consent.

Council Member Thiede wished to pull Item Q, KnowBe4 Security Awareness Add-on, on the Consent Agenda for further comment and/or discussion.

Council Member Thiede stated as I was going through this, there is a new cost of a little over \$11,000 a year, but I talked to Brian, our IT Manager, and we're making some changes. It said in the description that we're replacing something and so we're actually replacing another product that we had, which was actually costing us close to \$93,000 a year; so, it's a good savings so our IT Department is doing a great job of looking at ways to save money for all of our residents and keep things more secure. I just wanted to let everybody know that, just in case you were wondering, as I was, when you were looking through that.

Motion by Council Member Olsen to approve the Consent Agenda; second by Council Member Garza.

Motion carried: 5-0.

8. APPROVE DISBURSEMENTS

- A. Approve disbursements for the period of 1-03-2025 through 1-16-2025 in the amount of \$3,870,248.78.

Motion by Council Member Garza to approve disbursements; second by Council Member Thiede.

Motion carried: 5-0.

9. PUBLIC HEARINGS - None.

10. BID AWARDS - None.

11. REGULAR AGENDA - None.

12. COUNCIL COMMENTS AND REQUESTS

Council Member Garza said I really don't have much to say today, but it looks like we have a few events happening, coming up pretty quick: Strawberry Fest is having their first Bingo, we have our tickets, and I'm excited for that, it's on February 22 at 11:00 a.m., up at River Oaks. Other than that, you guys have a beautiful rest of the month, it's going to end pretty quick.

Council Member Thiede said well, she just took what I was going to talk about; Council Member Garza said I'm sorry, Council Member Thiede replied that's okay. I just want to say that hopefully everybody's been safe during our cold weather; I have to go get a new battery for the van as it kind of pooped out here in the cold weather. It's just kind of shocking, I talked to my brother down in Kansas City, and he shows me pictures that they've gotten like over a foot of snow in the back yard; I told him I was jealous, as we hardly have anything. So, it's kind of been a weird winter, then all this snow down south and so forth, I feel sorry for those people because they don't have the means to really clean it off effectively. Other than that, be safe while it's cold out.

Council Member Olsen said my in-laws live in Gulf Shores, Alabama, and they are from Minnesota, so they know how to deal with snow. They sent me pictures today and there are six inches of snow on the beach in Gulf Shores, Alabama, and I don't feel sorry for them a bit. So, there you go, how's that?

Council Member Olsen said I just wanted to make sure that the public was aware that this coming Saturday, January 25, is Hockey Day in Minnesota. Of course, every year when there's Hockey Day in Minnesota, there are all kinds of events across the State; this event that I want to mention happens to be Hockey Fights Cancer, which is Minnesota Hockey Day's kind of theme this year. We will be having events at the Cottage Grove Ice Arena on Saturday, all day. There will be lots of different things going on, but if you want to catch a really good game or two, the girls' JV will be playing at 11:15, and the boys' JV will be playing at 1:15, and then we will have the girls' varsity playing at 1:15, and the boys' varsity playing at 3:15. So, if you're looking for a way to celebrate Hockey Day in Minnesota, watch a good game and maybe contribute to the theme of hockey fighting cancer, I'm sure you would be very welcome to attend any one of those games at the Cottage Grove Ice Arena this coming Saturday, January 25. You can also donate online if you're unable to attend the event; I know there are a lot of people out of town for what they thought would be nice weather down in Florida and things like that. So, if you're unable to come, you can also make that donation online; if you go to the Park High girls or boys hockey website, the donation link is on there. I'd read it to you, but it's really long, so just go and look for it on the website and you can make a donation.

Council Member Clausen stated being in the public eye, we generally hear a lot of comments from the public when things go well or don't go so well, or they seek us out with their opinion. It was very nice to hear today, I was having a cup of coffee and a gentleman approached our group and wanted to say thank you to the Fire Department; there was a fire in town last weekend that required a mutual aid response from our partners in Hastings, Woodbury, St. Paul Park, and Newport, and if I missed somebody, I forgot. I don't have permission to speak on behalf of that person, but he thanked our department for all of the help, and I just want to make sure that it flows down to our staff to know that we got a lot of good comments, and I want to make sure that they know about it.

Council Member Olsen said that's fantastic. Mayor Bailey said that is very good to see. Council Member Olsen said that happens a lot; believe it or not, we hear that from the public all the time, and it's really gratifying.

Mayor Bailey said I don't really have anything for myself this evening since everything's kind of been covered up here. I'm just going to let the public know that we do have three workshops that Council is going to be working with staff on this evening, after the meeting here:

The first item is the Future Park Projects that were part of the LOST referendum that just recently happened last November. We'll just be giving direction to our staff on where we want to go with it, putting them in the CIPs, and so on.

The second item is New Development Boulevard Tree Requirements; we're looking at a couple things, as we all know, some of our lots are getting smaller, that's part of what it is these days, and different ways of making sure that if we do plant trees they're actually going to be able to survive.

Thirdly, Modifications to the Issuing of Temporary Certificates of Occupancy (TCO) from our Building Department; there are some things that they want to walk through with us for the future to make sure that housing that comes to Cottage Grove are able to get their TCOs at a stable and quicker pace, I guess is maybe the best way to put it.

We do not have a Workshop, Closed to the Public, this evening, so we won't be adjourning in here, we will be adjourning in the Training Room. Otherwise, everybody have a great Hockey Day, as we talked about, this weekend, and try to stay warm. Take care.

13. WORKSHOPS - OPEN TO PUBLIC - TRAINING ROOM

A. Future Park Projects (LOST)

Staff Recommendation: Receive information and provide direction on future park projects.

Mayor Bailey said this is from the LOST referendum that did not pass, so Director Zac Dockter is going to walk us through this, talk about the different projects, and kind of what we can look at for the future.

Director Dockter stated when we started the referendum process, there were projects that were in the CIP before we even developed the Preserve.Play.Prosper plan. So, the Council had said what are the referendum goals, and if it doesn't go, there are still some things we want to talk about, to see whether there's a priority component or not, and that's what tonight's workshop is intended to do. So, I'm hoping to do less speaking and more listening so I can understand what the Council wants to do with this list of projects. As I go through the slides, I'll go through it very quickly. There were three handouts that just kind of showed the three projects, with the last Concept Designs, but in front of you is this sheet here that has a list of all the projects, the micro projects and then the higher-level projects. There is also the current Capital Improvements Plan (CIP), so at the end of this maybe you'll want to say you want to push something up and we'll talk about the need of whatever it might be. So, these will be your tools to use as we get to the end of the presentation.

So, a real quick summary: Hamlet Park is a \$17M project, Mississippi Dunes Park is a \$13M project, and River Oaks is a \$6M project; those were the referendum items. Within each of those, there was a list of micro projects that made up those larger park projects.

Hamlet Park

- Finishing the softball fields and the two baseball fields and the final parking lot down there.
- The park building is \$4M, replacing the current athletic football-soccer field, multiuse field; the athletic field is \$2M along with the laying.
- Replacing the skateboard park into a concrete plaza is \$1M.
- Splashpad is about \$1M.
- Enhancing the playground and the whole playground and spot around that, similar to but a slightly smaller scale as Woodridge Park, \$6M.
- Amphitheater and Art Walk Garden is \$1M.
- The north trail entrance, by the pond, off of Hadley and 80th Street, \$500K, and the distance equivalent would be choreographed.

It's important to remember that there are additional costs for things like escalation and soft costs, and engineering costs. So, if we choose these projects, the full prices could change, depending on how we approach.

I also want to mention real quickly, and I'll break this stuff out in another slide, too, but with potential funding support, we're looking at all those projects, there's not a lot of outdoor funding right at our fingertips. There is a Minnesota Outdoor Recreation Grant, which gave us \$350K that we were successful in doing for the first two

ballfields at Hamlet Park, and I'm pretty confident we could do it for the second two ballfields. It could also be used for things like playgrounds or whatever else, but you could only use it for one of those projects; you could use it for one year, and then maybe a couple years down the road you can make a decision on it. But, again, a competitive grant process is not guaranteed money in the budget, but this is \$350K, and based on the ballfield development, as you know, that will be 50% of the project cost.

Mississippi Dunes Park

- Boat, kayak launch, and fishing pier, \$1.7M.
- Habitat restoration \$500K.
- Picnic area, \$500K.
- Trail system is about \$250K.
- Parking lot with landscaping features, about \$1.5M.
- Four-season building with a patio area, \$5M.
- Grand lawn with a terrace and more of a natural patio by the river, \$1.5M.
- Nature-based playground, \$1M.
- Outdoor classroom is close to \$2M.

Essential Funding: We believe that the building and park amenities are going to be a perfect fit for the 3M Priority 2 Settlement Funds, so we're going to go aggressively for that; I mentioned that at our meeting with the legislators as well. We think we can hopefully get at least 50% of the project on that, so about \$6M is vetted, which leaves us \$20M to be spread out, but we're at the heart of that damage. So, I'm hoping that they'll be very supportive of that type of funding and it meets all of our goals for that project.

Habitat Restoration: We've been successful in that over and over, so \$150K, which would be about 70%-80% of those projects, and those are pretty common. We're being pretty aggressive with that so far, and we've been working with the South Washington County Watershed District as well, so it could be 100% there.

Playgrounds, trails, and interpretive areas: The DNR Outdoor Recreation Grant is giving us \$50K, about 30% of that funding.

Boat launch, kayak, and fishing pier: We think we can get by with about \$500K, working with the Minnesota DNR Fisheries.

River Oaks Golf Course & Event Center

I don't want to get too far into details because I think we'll talk more about this when we get to the workshop when we talk about our Annual Planning and the Business Plan. Just real quick, the plans for the micro projects in there were:

- Building Enhancements, Simulator, \$3M.
- Patio Upgrades, \$1M.
- Driving Green Enhancements, \$1M.
- Inlay and putting green, \$500K.
- Winter Zone and Biking Trail, \$500K.

In terms of funding for it, there's not a lot out there, at least at my fingertips, but we do have the Minnesota DNR Regional Trail Grant, which I've acquired several times in my career. My only concern with that is that the grant requires four-season use; I'm a little bit concerned about how that would work with River Oaks during the golf season, whereas this would be filed for use primarily in the winter. So, we can still go that route, but maybe that \$300K was a commitment here, and maybe we will get a different spot for that than down at River Oaks; that was the conversation that we'd had at that time.

Director Dockter asked if there were any questions on the alternative funding sources; otherwise, I'm probably not going to go back to that.

Mayor Bailey asked if Council had any questions on that:

Council Member Thiede asked if Director Dockter was ready for general questions. Director Dockter replied just on the alternative funding sources, and then I'll go onto the others.

Director Dockter said I provided a list of the micro projects in front of you, and I also provided the CIP, which is up here on the screen, and I'll leave that slide up. My question to the Council is which projects do you still want to

pursue to keep in the CIP; you can decide on where they want to go in the CIP or maybe we still want to do the project, but it's not even in the CIP, maybe it's longer than seven years out or whatever it is. I wanted to give you an option of moving these projects if you feel like it. I do want to say that some of these 2025 projects are already in the queue, and we've done service agreements on them, too, but for the most part, several of these can be moved. Everything in 2026 and 2027 can be adjusted. With that, I will take questions.

Mayor Bailey said I'll start with Council Member Thiede and then I'll move across the room.

Council Member Thiede said in my opinion, like up here and so forth, Mississippi Dunes is kind of a no brainer. That'll make that essentially functional and get people to the water and everything, and we're pretty well covered by a grant if we get the grant. Just a question, what did the first two ballparks at Hamlet cost?

Director Dockter replied they were I want to say \$3.5M, and then the building was \$600K.

Council Member Thiede said and these two are \$6M because?

Director Dockter replied well, one is escalation, and then escalation from when we built those fields to now; but then it's also we get, remember when we did these estimates, we were building an escalation for those projects, too, so we were anticipating 2026, 2027 construction, as well as the soft costs are in there, too.

Council Member Thiede said so now the ballfields, though, the thing is there's the concept of yeah, you want amenities for the public, but certain things will generate revenue, right? Director Dockter replied correct.

Council Member Thiede asked so, you know, probably the ballfields, those would generate revenue? Director Dockter replied some revenue.

Council Member Thiede asked or not necessarily? Director Dockter replied it'll never even pay for itself, but it'll generate some revenue from that.

Council Member Thiede said okay. Director Dockter said but there's this process that I'm comfortable that those numbers are probably conservative today, and we all know how they can change quickly, right? So, every year it seems to change quickly, and we won't be constructing any of this stuff until 2025, 2026. I'm comfortable with the numbers today.

Council Member Olsen asked Director Dockter on his CIP document here, I'm assuming that the color coding coincides with the funding sources, is that right? Director Dockter replied correct, yes.

Council Member Olsen said so, something that I'm curious about is, and I'm sure you won't have the answer to that this evening, if you were to look at all of these items and prioritize them, how would you do that? What would you and your team perceive to be the highest priority items? Because obviously with the fact that the Local Option Sales Tax referendum did not pass, we're in a pretty tough spot, and a number of these things are simply not feasible, they just aren't. So, I think there are several ways to sort it; one way is well, okay, if we've got funding for it, we can move forward. You mentioned that we've already signed some agreements on different projects and things, but as you look at the whole picture and you have to put your eggs in various baskets, I'd be curious what baskets you would put them in; for example, if you feel like Hamlet Park is a greater priority than River Oaks, or is Mississippi Dunes a greater priority than Hamlet? Because that's what we're going to have to do; the bottom line is we're going to have to pick and choose and you're the expert. You and your people do this for a living every day and I have a lot of faith in your analysis, your opinion, etc. So, if that's a today conversation, great, I assume it's not, but as we work through this process, heading into our budget dialogue, it might be something to think about.

Director Dockter replied I can give you pieces on some of that stuff that was on the LOST. Council Member Olsen replied, yes, please do, I would love it.

Director Dockter said so real quick, on these, I mean, you need to make your moves. As you can see at the top, no bill gets you very far, right? Council Member Olsen replied right. Director Dockter said so, but there are things like sports lighting, you can push it farther away. I mean, they're aging systems, and many have to be replaced, but they can certainly be pushed out. Here's my, like the hockey rink boards, but again, I think all of these in pink are Park Improvement Funds; they're typically pretty important upgrades that the neighborhoods have asked for, the community has asked for that we needed to split, and they're relatively low in cost and then or they're things that just need to be replaced because they're aging out. But there's not a ton of movement in there, but certainly, and even the Park Trust Fund, that gets difficult, right? So, if you're putting up a new park in a neighborhood that's probably developed, that's been waiting for a park, we try to build one of these. So, I'll just say that, but again,

everything can be moved; basically, everything can be re-prioritized, so I don't want to take that away. With River Oaks, I think everything gets put on the final page, everything gets put on the back burner.

The Dunes, I think we go aggressively at the 3M Settlement, I think we get the boat launch and the kayak launch, and we can get back that access to the water if we take care of the trails. We can get those things so that people can use the park, right? That's what we purchased it for, and I think we go aggressively and see how much we can get to do that, and then deal with the rest of the things, whatever the remaining things are, we can deal with that later.

Hamlet Park: I would say my number one concern is the skateboard park; it's just that I think I put that in originally in 2004. Its aged out. Council Member Olsen said yeah, and it definitely has, you can see it. Director Dockter said now the great thing is, the surface needs to be replaced, but actually those boards can be refurbished because basically there's a frame underneath, and you can spend \$100K and you can do quite a bit of work. And I'm learning that concrete skateboard parks are actually starting to not get too trendy now since people are getting bored with them. I think it's coming back to what we have, to engage the system we have, so we could probably spend \$100K or \$200K, because \$100K is just for the surface; we could probably spend \$200K there, and add to it, refurbish it, fix it, replace the surface, and make a great skateboard park that people would love. So, that would be my number one priority. I think the synthetic fields, in my opinion, the Athletic Association has had two opportunities at that, it didn't work, so, I think we put that to rest. The park building we are going to have to address at some point, but that doesn't have to be a today conversation, I think I can keep things on there; so, these are all my opinions, remember.

Council Member Olsen said right, and that's what I asked for, though.

Director Dockter said the splashpad, I don't think that's worth doing because of the cost. Enhanced playground, at some point we'll have to deal with that playground, I don't know if that's a today conversation because its still a great playground that's there. People aren't asking for another Woodridge.

Council Member Olsen asked when did we replace that equipment last?

Director Dockter replied so the original equipment was in 2004 or 2005. Council Member Olsen said yeah, but we upgraded once. Director Dockter said we renovated it in like 2017 or 2018; some of the original, most of it is the original system, then we added to it and/or replaced, because the concrete sidewalk around it has picnic areas. We really added a lot to it, it's still good today, but some of the equipment is 20 years old. That one probably needs to get in the CIP somewhere.

Council Member Thiede asked with the skateboard park, is there any chances for like sponsorship, like it could be somebody so the skateboard park that they have naming rights, right, and have a deal?

Council Member Garza said that's a big business out there.

Council Member Olsen said I think the Dave Thiede Skateboard Park sounds good, I think its perfect, I really do. Council Member Thiede replied I do have an opportunity, mabe. Council Member Olsen replied well, but you need a battery on your car, so, let's not get crazy.

Director Dockter said one thing I should mention with the Hamlet Skateboard Park is I think you may recall, probably don't, but in one workshop, whether this goes or not, we need to replace the surface there, as its all cracking up. So, we already have \$100K in the CIP; now, it's just a matter of whether the Council wants to add to this and fix up the equipment. At least we have a start there that's budgeted.

The softball fields completion I kind of struggle with because its an uncomplete product, it feels like an uncomplete product at the moment. But, again, the Athletic Association had the opportunity to approve the referendum on that one twice, so, I don't know that that's the highest priority at this moment.

Council Member Olsen said well, and I think we wall have to envision that that could really be a destination for larger tournaments and things of that nature, but at the end of the day, if we can't afford it, which we can't, it probably needs to wait. But some of the other things that you're prioritizing I think make a lot of sense, both just in terms of our fiscal ability to get those things done, but also the larger benefit to the community. So, that's kind of why I asked is because I'm sure you played with the Rubik's Cube in your brain a million times, and you're going to have much more of a handle on this than we are.

Director Dockter asked what do you guys hear? And you don't hear people asking for the ballfields, and I understand and I get it. But how do I prioritize two baseball fields over Mississippi Dunes or over the Still Ponds

Park, or the new Wolterstorff trail? That gets to be the hard part. So, I think we wait and see if I can close the issue, they probably need to come to us, right, at some point? Then we can have that conversation.

Council Member Olsen said so, then what I think I hear you saying is go hard after 3M Settlement money for Mississippi Dunes, get that park moving. We may not be able to fully complete it, but we'll get the necessary elements in place, right? Invest a little bit into some of the more feasible elements of what we had for Hamlet, and then we just keep our powder dry on River Oaks until we can figure out some different funding for that stuff. Does that sound about right, did I get it right?

Director Dockter replied agreed, and the only thing I'll add is remember, we're still developing parks all across the community while this is happening; there is more development, 100%.

Council Member Olsen said from my chair, which is 20%, it makes sense to me; so, I appreciate your feedback on that. Thank you.

Council Member Clausen said I'm coming into this later, and I beg your pardon while I ask these questions, but I don't know the answers. How does the Athletic Association, and you talked about them and how they need to do something; how do they relate to the softball fields, what is their role? Council Member Olsen said that's a great question.

Director Dockter replied they'll be the primary user, but they also have, in terms of funding, they have charitable gambling, so they have opportunities to secure funds. They're willing contributors, and they've done a lot for our parks here, all along, there have been millions that they have put into our department. It's all good, but they're the primary users, so they're the ones that we have to work with to make sure that the field is being used; we don't want them to build a skatepark to be used, right? Especially here. Otherwise, I think they've got tens of thousands of fans that are impacted by this, so, we need to hear from them. I think that was part of the frustration with the referendum is we never got the Athletic Association to really get on board with it, and I get it, they're all volunteers. I don't expect anything, but when we're trying to do things like that, and we're trying to, if the vote doesn't go through like it did over here, so now we need to hear from them to make that a higher priority. Does that make sense?

Council Member Clausen replied thank you.

Mayor Bailey asked Council Member Garza if she had anything to add on this one, but she did not.

Mayor Bailey told Director Dockter on my take, I do think, the first thing, everything in 2025 stays. I think we're, it's pretty vague. The only one, to your point as it relates to the Athletic Association, in my opinion, for 2026 might be the \$355K for the lighting; because if there is anything, I think we should go to that organization and have a conversation about because it benefits them more than it benefits us. That would be one that I would have a conversation with them about with the lighting, because that would then free up some opportunities for some of this other stuff that we're looking at, as we look to 2026.

At the same time, and the reason I'm throwing that one out there specifically is because I want you guys to go after the grants and yes, the 3M Settlement money; I mean, it is more than \$20M now because its been collecting interest, I don't exactly know the new number, but I heard it was north of \$30M.

Director Dockter said good.

Mayor Bailey said, so, there's more money in there than I think we're, I just don't want you to cut us short, right?

Director Dockter replied, well, I'm going for the whole thing. Mayor Bailey said I think you should. Director Dockter said we are going for the whole thing.

Mayor Bailey said and I think we should, and then if we have to supplement with going after other DNR grants or things like that, that's great. And if the DNR is able to provide us with the \$900K, that is one less thing we have to worry about, or then maybe we figure something else on our list that we want to put our focus on.

Mayor Bailey said on the skateboard park, I think at the moment, I think next year you do the asphalt or whatever and let's see how things kind of wash out with some of your grant opportunities; and not even just for the skateboard park, I'm just saying at this point, the surface is bad, and one way or the other, we have to do the

surface. The rest of the stuff, I guess we'll have to wait and see, and we did naming rights at the Ice Arena, which helped us, so that might be something we want to look at, if somebody might be interested in that.

Council Member Olsen asked is that surface a subcontracted project, or would we try to do that ourselves?

Director Dockter replied no, I think we'd go to a concrete surface, so I wouldn't want to try to do that.

Council Member Garza said and we already have \$100K in the budget, already allotted to that. So, we're looking to improve it, and you don't know what that number is that you would need additionally to that \$100K?

Director Dockter asked for the equipment? Council Member Garza replied yes.

Director Dockter said well, going back in time, we were going to replace that just about ten years ago, and then we worked with the Council, and said actually, the equipment's not in bad shape if you spend \$10K each year to maintain it or replace any bad surfacing, touching anything up, and then add in a new feature every year; that worked out great. So, you can do that, or you can spend \$10K-\$15K a year and just kind of continue it every year if you can keep it up and you add to it, or you can kind of spend \$100K at one time and then get it done. So, there's a couple different options to it; I think sometimes there's some benefit to doing it a little bit over time because then they see that's it being continually upgraded, some people really appreciate that, at least they did last time. So, those are a couple options, but the focus is on the surface right now. I would say maybe we up that to \$115K for the first year, replace the surface, while we're there let's fix up the equipment and at least get it back into its original shape, maybe add one small feature. We have a really great group to work with, and then after we do that, we could get the skateboard community together and start talking about okay, we're going to keep this equipment, but what else can we do to make it better? And then maybe that's when we come up with a plan.

Council Member Garza asked are you working with the people that did the skateboard park up on Meadow Grass? Council Member Olsen asked, do you mean the Bike Park? Council Member Garza said, oh, that's a Bike Park. Council Member Olsen said yes, that's a different group.

Director Dockter said well, funny enough, that gentleman also has a skateboard group, so he would help me get the youth involved with the process; so, he's actually helped me quite a bit with that.

Mayor Bailey asked is that still Chan?

Director Dockter replied Chan, yes, but he's been pretty good at grabbing skateboarders and bikers together, and we just kind of thought we could use his design team.

Council Member Olsen said he's still trying to raise money for improvements to the Bike Park, too.

Mayor Bailey said so, that's my take, and I think as, let's say you come back to us and you say hey, you know what? There's a grant available for an amphitheater, I'm just picking something off the list, or Art Walk Garden or whatever, for \$250K; if I get that, that means we've got to come up with the other \$250K, right? And, so, that's why I'm saying if you look at some of these, the smaller numbers aren't going to do anything for us; and then, of course, Council at budget time, looking at CIPs and such for the future, can also take a look at what makes sense, right? But that's why I specifically talked about the sports lighting; and frankly, maybe we do sit down with the Athletic Association regarding those other two ballfields.

Director Dockter said yes, I plan to; well, first, I wanted to hear what the Council had to say.

Mayor Bailey said I mean, yes, it benefits our citizens and the families and so on, but the fact of the matter is it would be nice to get that park finally finished; it's been going on for 20, 30, 40 years now, it'd be nice to finally see it finished.

Council Member Thiede said another thought just popped into my head, but like the lighting at some of the sports fields and such, you know, right now it may be cooling off for sales, but like Xcel or something like that, it would definitely soar; could actually some of that lighting be powered by solar, and is there any type of grants or rebates or anything like that, that Xcel or someone could provide, to help fund some of that?

Director Dockter replied so, I've actually been studying this and met with several people at the trade shows I was at, solar is coming a long way, right? They're actually doing like streetlights now, which are very big things in a year, so they've really found a way to design for that. I don't think they're quite into sports lighting yet, just because there's so many things, but it can't be very far out. So, I'll dig into it more and see what our options are.

Mayor Bailey asked Director Dockter does that give you some guidance then?

Director Dockter replied yeah, I guess the only thing is, was there anything on there that you just said no, to take it off there? I don't think I heard anything, and we'll talk about River Oaks later, but is there anything on here where we don't want to talk about it or anything?

Mayor Bailey replied no, I think the only one on here that I would say, and it's really up to you, Zac, when I was at the Athletic Association meeting, there were more nos about synthetic fields than yeses. So, I mean, if you personally wanted to take that off, I would have zero concern about it on that particular item, just because I hear it, and I know Jim Fohrman and crew, they were not keen on it, at least that's what I understood.

Council Member Olsen said well, I don't like synthetic, I mean, its a lot; and what you did with the Ice Arena, in terms of putting down the field turf and stuff, and then we use that, I think, that way.

Mayor Bailey said yeah, so, if you're looking at this list, I would say the synthetic fields can come off; I would leave the rest for now. I mean, the splashpad, we need to take that one off, too.

Council Member Olsen said yeah, I don't think that's really a thing.

Director Dockter said there, there, and anything on the bottom is we're kind of waiting for an opportunity?

Mayor Bailey replied I think waiting for an opportunity because I like what the look and what you're trying to do. We do hear from our Arts Committee group in the community who wants to do something with like an amphitheater, etc. in the future, so, there might be some opportunity there; so, I wouldn't take that off the list. And River Oaks would be, like you said, we'll figure that out when we get into the Business Planning for River Oaks.

Council Member Olsen said, yeah, we'll do that update with Dennis.

Director Dockter said thank you for your direction, I appreciate it.

Mayor Bailey said you got it, thanks, Zac.

Council Member Olsen asked Administrator Levitt does that fill in the blanks for you?

Administrator Levitt replied absolutely, we just needed to make sure if there was anything that you deleted from 2025, or in 2026, that we could do that. So, we have that direction.

Council Member Olsen asked Brenda, does that make sense? Director Malinowski replied yes.

Mayor Bailey said that way you're not having to do plug this hole with that hole, at least for 2025; 2026, maybe not. Council Member Olsen said largely, we're in a holding pattern.

Mayor Bailey said all right, and asked if Council had any other questions on that one; there were none.

B. New Development Boulevard Tree Requirements

Staff Recommendation: Approve the removal of boulevard trees adjacent to homes in new developments and allow staff to begin the process of updating City Ordinances to reflect this change.

Mayor Bailey said we'll move to 13B, which is New Development Boulevard Tree Requirements, and Ryan Burfeind, Public Works Director, will kick this off.

Director Burfeind said Gary Orloff, our Streets Superintendent, and our City Forester, Nate Heilman, are here if there are any maintenance-specific questions, we'll talk about those as well.

Director Burfeind said we had this initial discussion with Council in July, 2024, when we had our Public Works Workshop. We talked about a lot of these topics, some of the issues we were seeing. Council gave us direction and additional things we should look into; we've done that, we intended to bring it back a little sooner, but we had a windstorm and we had all the fallout from the windstorm, and we had another workshop on the windstorm, so it just delayed bringing this back to Council. So, that's what we're here to discuss tonight.

Just a reminder, right now, we have about 14,500 boulevard trees in our existing inventory in the City Right-of-Way that we do maintain, and those are not the ones that we're worried about tonight; those are trees that we already have in our Right-of-Way. I do feel strongly, even though some cities do it differently, that we should be maintaining those, there's a liability with them and it is on our Right-of-Way, that we should maintain.

So, this is more about the new developments and all those challenges that we're seeing, but also new developments are growing our tree inventory and increasing our budget. On the bottom, you can see those three items that I kind of kicked off back in July, the budgetary challenges, and then really the other two main ones are more of a feasibility standpoint with the reduced lot size and the overall setbacks for the front yard. So, we're really kind of pinching that area that we have for trees in the front yard and the boulevard, and then interference with our infrastructure as well.

Looking back, we've had some significant increases in the past ten years; we have had several budget additions over the years related to the Forestry budget. Just this last budget cycle, Council approved additional for our EAB treatment as we keep up on a three-year cycle. We actually switched to a six-year tree-trimming program, instead of five. Even with that, we still had a \$50K budget add just to maintain that; six is about as far as we're comfortable pushing that, working with our current forester and our management analyst, who is our former City forester, really with the trees that we're maintaining, we should keep it no more than a six-year cycle.

One way that we've mitigated budget adds over the years is we had a much bigger program, and we were removing hundreds, if not thousands, of Ash trees in a year; we had a much bigger program and expense to cover that, anywhere from \$130K to \$200K. As we've gotten down to our desired goal of about 1,500 Ash trees, we've been moving those funds with each budget from Ash tree removal to maintenance; so, that's allowed us to minimize the budget add. So, that funding source has really been tapped out, we've just kind of moved all those over to tree trimming and tree removal, so you will start to see more budget adds in the future years as we kind of move those funds over.

Just on the budget as a whole, you can see on the right what makes up the budget, all the different items, \$614K is our 2025 budget. I did want to do a little bit of a comparison for some other Public Works budgets that are kind of similar in the sense that there hasn't been big changes in the programs and how we do business differently; it's just frankly Forestry, Snowplowing, Signs, as the cities grow, those programs have grown, and we're trying to maintain a similar level of service. You can see Forestry really stands out, a 90% increase over ten years, and that's with switching to a six-year trimming cycle instead of five. So, a little bit of an actually reduced level of service and still a 90% increase. Snowplowing is 65%, and Street Signs is a great comparison, of course, as we develop, we add streets, we add signs, and we're only at 32% over that ten-year period.

Some of the big changes, the contracted maintenance costs has been the big one, and even with revising to that six-year trimming cycle, it's been a big impact. Trimming costs are up over 500% in the ten-year period and then 90% for tree planting. Just for a comparison, at our current number of trees in our current budget, we're about \$42 per boulevard tree per year; so, with the new developments if we're adding around 500 trees a year, you have about \$20K just in the new trees, let alone inflation and all the other costs that go into it.

What we have here is a table comparing the exact same area, so it's ten years apart, and the same area of tree trimming, and in the winter of 2014 to 2015, it cost \$31K; this year, if we had to switch to a six-year cycle, we're at \$210K.

Council Member Thiede asked is that cost per tree solely contracting somebody to do it?

Director Burfeind replied that is, yes. So, these are all trees greater than 8", so we trim up to 8" trees; we have the training, the staff, and really the equipment to do trees up to 8". When they start getting bigger, we need cranes and different types of equipment that we just don't have. So, yes, that cost per tree, that's really your cost of inflation, right? That's the actual bid prices, and we get multiple bids from many vendors throughout the metro to try to get the best cost that we can. The quantity of trees also has gone up, not because we added more trees, but because more trees grew from the under 8" category to the over 8" category; so, they went from a City-trimmed tree to a contractor-trimmed tree. The other big reason the costs went up, if you look at ten years ago, most of the trees were in the 8"-to-15", now most of the trees are in the 16"-to-20", in this category. So, the trees are growing, but it's the budget, that's not being hit by inflation, it's hit by the actual tree growth. So, our roads don't get wider, we don't have wider roads to plow each year; if anything, the roads are getting narrower. This is actually growing exponentially for those reasons, and that's why we see that over 500% cost increase.

Now, I'm getting on board with the practical side; that's the budget side, right? And if there's a desire for the boulevard trees, with the right budget we will maintain those trees and we will do that task. The other issue is more of a feasibility we've been seeing, and this has been kind of creeping up the past few years. You can see

changes in lot sizes and setbacks since 2000 to present; obviously, in the present case, not all lots are 42' wide, but we see a lot in the 40', 45', and 50' lots these days. The 50' lots are considered like a standard single-family lot, not 85', what a wide lot used to be, and the setbacks as low as 20', so that distance from the garage to the sidewalk is that much narrower. This is from Settlers Bluff, and we're seeing a lot of this now where our streetlights, our hydrants, our different utility infrastructure that goes on the lot line. We used to have 55'-to-60' in that space to plant a boulevard tree, and now we're down to, in this case, about 20'; you can see the impact that a big tree like that will have over time.

We had already made a switch to go to every other lot with boulevard trees a couple years ago. Even with that, we're still running into cases by doing every other lot, we're running into trees right by hydrants, the curb boxes obviously are very close to these trees. We're seeing an issue that's been created with that.

So, like we talked about at that budget workshop, really our request for consideration and a recommendation is to no longer require the boulevard tree, just adjacent to new residential lots; rather, we would require a front-yard tree. One of the discussions at the budget workshop was are we shifting costs for residents that didn't use to have a front-yard tree and now they do. One thing I want to make mention is up until lots got so small, it was pretty standard to have a boulevard tree and a front-yard tree. So, we're not kind of increasing that maintenance cost to the homeowners, we just reached the point where we don't have room for both. We used to have maybe a boulevard tree on one side of the driveway and a front-yard tree on the other, and we just don't have that room anymore. So, when we say a front-yard tree requirement, it would be a change to the Code to make sure developers are always planting one front-yard tree so we have a uniform wooded streetscape.

Another thing that I'll talk a little more on the next screen is when lots are 50' or less, we still have a concern, even if it's a front-yard tree with that canopy size. We do want to get height, and little crabapple trees and little magnolias aren't going to give a streetscape; we want 34'-to-50' tall trees, so actually our forester did some great work and developed a list of good potential front-yard trees in these smaller lots that will still give a nice height to the forest in the area. Obviously, major roadways, commercial areas, and neighborhood collector streets, like Mississippi Dunes Boulevard, that don't have home frontage, we would still plant boulevard trees that the City would maintain; we want to make sure that we have a consistent, kind of wooded feel throughout our town. So, we would continue to plant those along the boulevards.

Another question that came up at the budget workshop was do we have this in other communities? This is a map that we also had and we had some discussion; the areas in yellow are areas that for one reason or another over the years boulevard trees were not required in those developments. So, this isn't something new, we did have many areas that did not have boulevard trees in the past, so we're kind of going back to that trend. These were all bigger lots, and there are probably different reasons for not having boulevard trees, but those are the areas that exist today.

These are small-stature trees we're going to call them, so if a lot is 50' or less, we would look at this type of tree planted in the front yard. You can see some of them, we'll whittle it down, some of these crabapples, 25', are maybe not quite the height we're looking for, but a lot of 30', 40', even 50' tall trees, but the spread gets no more than 30'; so, you can still have a nice height of those trees in the neighborhood, but they aren't going to spread out and touch the neighbor's house, hang over the street, and cause all the other issues.

Another question that we talked about a little bit, and we got some more feedback from additional cities since our budget workshop, with what are some similar cities doing. We wanted to look at developing cities with that suburban feel, so these are five cities that are managing that, that we spoke to; we wanted to get a feel for what are they requiring and what are their reasons for doing that. Rosemount: They do not do boulevard trees anymore, but yard trees are required on each lot. Woodbury: Is one out of these five that still does require boulevard trees, but they assign the maintenance to the homeowner or the HOA. For me, that's not something that I'm super comfortable with because like I said, there's liability with these trees and it has an impact to the public; I would not want that on the homeowners. We do ask them to mow the grass, but the grass can't fall over and injure or kill somebody. So, it's very different for me for a boulevard tree. Apple Valley: Doesn't do boulevard trees or actually in the utility easements; that's the first 10' of the yard behind the sidewalks, they don't allow it there either. They're not comfortable with them in that location. Inver Grove Heights: Does not allow trees in the Right-of-Way in new developments. Savage: Requires two trees per lot, but they do require them on private property.

So, you are seeing more cities go this way, and they're voicing similar concerns: Lot sizes, setbacks, costs, and just trying to make sure we can fit trees in the right location.

This is a picture that I showed at the workshop, but I wanted to show it again because I think that it does a really nice job of showing that even without the boulevard trees specifically, I think there's a really similar feel to the neighborhoods. This is in Mississippi Dunes Estates, this is not a boulevard tree. This is an area of Timber Ridge, some of Timber Ridge doesn't have boulevard trees, but this is an area of the Timber Ridge neighborhood that does; with this picture, it's a similar-age neighborhood, similar tree heights, I think it's a very similar feel, that we're going to have that wooded tree streetscape.

The other thing with the development tree requirements in the new lots, I was talking to Emily, right now with the above 60'-wide lots, there are three private trees, and if it's below 60', there are two. I think now if there's not a boulevard tree, we can probably change that a little bit. We don't want to reduce the overall trees in the neighborhood, but I think maybe 70' on up would be four, and maybe 50'-to-60', to 65', would be three, 40'-to-50' would be two. So, we'd want to keep a similar number of trees in the neighborhood, just in a more appropriate location, rather than the boulevards.

Director Burfeind said with that, there's a staff recommendation, and I'll be happy to answer any questions.

Mayor Bailey said just a quick question from me, just to refresh my memory, boulevard trees are generally paid for by the developer, correct? Director Burfeind replied yes. Mayor Bailey said and then we're just responsible for them after the fact. Director Burfeind replied correct, yes.

Mayor Bailey said so, if you're getting down to these 40' and 45' lots, so to speak, are three trees feasible on a lot that size?

Director Burfeind replied I think we would stick with two on the 40'-to-50' lots, and we'd look to have a little more on that 50'+, 70+ range.

Mayor Bailey said here's my only concern; I agree, I don't think we can increase the trees, but here's my concern for you: That is, do you then see developers coming in, saying well, I'm not going to build a 55' lot because I'm going to be required to put four trees on it, or three trees, there's a cost. Do you know what I'm saying? So, I'm wanting to make sure that we're not going to force them to push down on lot sizes in order to pay less because they're going to have less trees. I mean, if the tree prices are what you're saying, and we're paying for them, I mean, you'd think their developments times that, we're going to get a tighter development, I think. So, I just tell you this, however you guys want to do it; personally speaking, I'm totally fine with the direction you're going and doing away with the boulevard trees, but somehow you have to figure out what that magic number is for those. Or maybe if it's a lot at 40' with two trees, maybe there's, I don't know, I almost want to say an extra fee or something; I'm just worried that we're going to force developers to go smaller. Do I have reason to be concerned?

Administrator Levitt replied mayor and members of the Council, I don't think we do because really they're paying the install fee and it'd be like a 2.5"-or-3" caliper tree; so, if it's \$350 or \$450, that's the only thing the developer is paying, right? In the equation, if you change the amount of trees, you're only talking \$500. The other thing is the developer will tell you trees bring value. So, they're not going to push back at our quantity, and they shouldn't back out or push back at our development removing the Right-of-Way trees, the boulevard trees. They had to plant it, and they didn't have any stake in the game, per se, because the homeowners didn't have to maintain them anyway. So, the quantity of trees is only the original install price of the trees, not any long-term maintenance costs.

Mayor Bailey said okay.

Director Burfeind said and I think the other thing we could do is we can take, we can look at those numbers and let's say a real world development, like Prairie Dunes, we could do a comparison if we still require boulevard trees. Because the builder/developer pays for all of the yard trees and the boulevards, so, if we're just kind of shifting it into the yard. We can make sure there's a similar quantity, to maybe keep it cost neutral.

Mayor Bailey said that's really what I'm looking for, because on the other side, I just didn't want housing developers then to start pushing more narrow lots, smaller lots, just for the sake of trying to save money on a 200-home development times two trees; I mean, on a single home, that might be nothing, but it will definitely be something on the grand scheme of things.

Director Burfeind said yes, but we can look hard at that and make sure about that overall quantity; and that is our goal, to keep a really similar quantity of trees in the neighborhood and all that stuff.

Emily Schmitz, Community Development Director, said and I think it's important to know when we rewrote our Codes, this is one thing, and this was a conversation, how are we making sure we can handle the market? And so we didn't reduce the yard trees about a year and a half ago. I can say there was certainly a positive response, realizing that we're trying to keep that, too.

Mayor Bailey said and then I'm going to pop one more question, and it's mainly more for Emily, but you said it kind of got brought up in this about the commercial side of things. Please, as we look at more commercial developments and the fact I know you said we want to continue to do trees; I'm not saying we shouldn't, but I also want to be very cognizant of where we put those trees on those commercial nodes. Because plopping a tree when we've got a monument sign right there, that's going to cover the monument sign, makes no sense. And the same with bushes and things like that, that we do in some of these developments, and we have a lot of examples around our community right now that just don't make any sense. With that, I'm all for the green and the trees, but let's make sure they're strategically placed, and if it doesn't work, it doesn't work.

Council Member Olsen said so, before I ask my questions of staff, I want to ask Council Member Garza, as you buy and sell properties, does this subject come up?

Council Member Garza replied it does, all the time.

Council Member Olsen said okay, and what are you hearing in terms of?

Council Member Garza replied so the subject only comes up on the aged trees; so, when we go and look at homes that are on sale, this conversation is not in new construction, it's only in resale. And that is a big concern of the buyers that come into buy resold properties that this tree and the roots could possibly cause them some type of headache down the line. So, and that was something, and I'm glad you asked me that, because that came to my mind, I was sitting here wondering if we put one tree in the middle of the yard on a 40' lot, in 30 years, will that root system cause troubles for that tenant, or?

Director Burfeind replied yeah, that's a good question. I think the general rule of thumb, and we can dig more into it, but those smaller crown trees that we're looking at, generally will have smaller root systems, similar to that crown size. So, I think that's where we'd want to keep with those smaller crown trees and not be planting like full size and some of the new Elms that could definitely be an issue.

Council Member Garza said and that's a big deal, so, thank you for that.

Council Member Olsen said yeah, and one of the reasons I asked is I learned a lot when Gary and Gavin came to my house to teach me about the fact that I had a front-yard tree and not a boulevard tree, and we needed to replace the tree. And Gavin gave me some amazing advice, this is what you don't want to do, this is what you do want to do, and it was really all about the species of the tree, how it roots, how it grows, the size; and one of the things he mentioned in that conversation is there's significant benefit to having an urban forest that provides a degree of protection and shade for your asphalt, on your road, and all that kind of stuff, too. And, so, that's why communities do it; it's not just the beautification thing, there's actually legitimate like benefits to it. But the concern, as Council Member Garza just told us, is what happens with any sort of infrastructure that you might have on a boulevard or whatever, and as those lots get smaller and you showed us the picture, they're just too close, they just are. I mean, that's just a fact. So, I mean, I'm all for the idea of moving away from boulevard trees and moving towards more of your front-yard trees and those sorts of things, but I think that comes with a degree of education. And I think we need to work closely with developers to help them understand this is what our goal is, this is what our target is, and if that means that we need to limit the species that they can choose from, then so be it. I think we build that into the Code, meaning it's not a recommendation, it's the requirement, it's one of these, and that's kind of it, because otherwise, we're going to set ourselves up for trouble. And the last thing any homeowner wants, whether they're the original homeowner, whether they're the new buyer, is a surprise in two, three, four, five years, where suddenly they've got a root issue that's messing with something that we have in an easement or something like that, and it becomes their problem. Because those front-yard trees, that's our deal;

that was one of the other things Gavin helped me understand was like, yeah, this is on your dime now. So, he was very good about helping me figure out what to do, but the cost is borne by the homeowner. And I don't agree with the Woodbury perspective of well, we're going to require boulevard trees and we're going to pass the cost onto the homeowner and the HOA. I don't think that's the right thing to do, it sounds like you don't think that either.

Director Burfeind said yes, I don't agree. And from an education perspective, now that Gavin is in the office with me and Zac, I think he's a great resource to provide the education for our homeowners, developers, whatever it may be. And in the Code, we've got it at a minimum; what we want to do is on our smaller lot sizes, we're going to mandate a maximum spread. We were talking about understory trees as well; a crabapple might be 20' tall and 19' wide, so that's not going to help. So, we're going to mandate a maximum spread, I want to say 30', but then a minimum height, so we're making sure we still have some tall trees with the shade and all the benefits the shade brings.

Council Member Olsen said so, we also need to educate and I know I'm preaching to the choir on this, but we need to educate, you know, what does the maintenance look like? How often do you do it? What is a reputable maintenance company vs. trying to do it yourself? Because if you think back to EAB, when Steve Bowe came in front of us, remember, and he was telling us about this is what we're going to need to do. One of the big challenges we dealt with for the first year and a half or two years is a lot of people thought they had a boulevard tree, and it was going to be our cost, and it wasn't. There were some mighty upset folks at that point that went, wait a minute, this is going to cost me. So, I just think that education element is going to be really critical.

Council Member Garza said I have another question, too. Are we finding or seeing, a lot of our community is old and a lot of our trees are 40, 50, 60 years old. So, I see a lot of times, I do a lot of sewer scopes, and I see a lot of damage to our underground piping, especially to the City pipes. So, I'm wondering, are we starting to see some of that happening to our infrastructure?

Director Burfeind replied yeah, we do see more of that. For our City-owned infrastructure, we have a nice sewer preventative program that has largely mitigated that. But as we age, and our trees have aged, we were seeing more of that. That was another discussion with the smaller lots where that front-yard tree might have to be over the sewer, as a boulevard tree would anyway. It's just looking at the root depth, right, and using trees that don't have the capacity of a root stem.

Council Member Garza said I've seen some nasty ones, so that's why I asked.

Council Member Olsen asked are we still slip lining and doing all that?

Director Burfeind replied yes, we just, roots forming are the main thing, we have to cycle the slip lining, and that's our primary thing. We've done different slip-lining projects with pavement management when we see damages, but the roots forming in our infrastructure is in our right-of-way.

Gary Orloff, Streets Superintendent, said on the street side, what we're seeing is a lot of sidewalk damage now from these mature trees, so we fixed \$80K worth of sidewalks last year; 70% was all from the trees, roots and stuff, so we did that because we had to, for everybody. So, that's what we're really seeing now with these big, mature trees; they're really pushing up sidewalks and curbs, people's driveways.

Council Member Olsen said so there again, the species they choose can mitigate that to some degree, right? Director Burfeind replied yes.

Mayor Bailey asked is everybody good on the change? All Council Members indicated they were.

Director Burfeind said thank you; Mayor Bailey said all right, thank you, Ryan and Gary.

C. Modifications to the Issuing of Temporary Certificates of Occupancy

Staff Recommendation: Review and provide direction on the proposed clarification of the TCO process limiting the issuance of a TCO between June 1 and October 1. Issuance of a TCO between June 1 and October 1 requires \$8,000 escrow prior to issuance.

Mayor Bailey stated Emily is going to take us through this exciting item.

Director Schmitz stated thank you for hanging in there for this. We're going to be talking more about Temporary Certificates of Occupancy (TCOs), what is it? So, we're going to start at the bare roots, grassroots, so you all understand it.

A TCO is issued before a full CO; we offer this opportunity for the process to continue to move forward while some of the items are not complete. Now, I want to be cautious when I say that: It does not mean that there are building life safety items that have not been completed, and we're letting folks move into this home. Specifically, exterior items, all final building inspection items will have been completed as soon as these exterior items are done. This process started I would say well over a decade ago, and it was started to be sure that we could give communities the processes, especially in the winter months in Minnesota. So, this process allows folks to buy their homes, move into their homes, and hold the builder accountable once they've had a chance to finish the needed details. I added a photo of current stock; just honestly, before my time in here, I could have never guessed what in the world that was or why it was here, but truly, it's important, as we make sure that these homes are ready for occupancy, ultimately to maintain that inspection process.

So, what does our existing TCO due process look like? This looks crazy, right, that whole document; it's not that crazy, but it is time consuming. So, once the final building inspections are complete, but let's just hypothetically say it's January, and then we wait until the summer; so, we're working to make sure that the as-built survey is submitted and reviewed by our Engineering team. This is making sure that the final grades of that lot meets the grading standards and is reviewed and approved; all the water is going to go where we agreed that it should go.

Let's say it's approved; the builder or developer can go ahead and put their sod in and their boulevard tree. Once those items are installed, they send staff a request and say, hey, I've got these items done, can you come out and inspect? And we're, absolutely, as this means the work is completed. But if we go out there and find that neither the sod or the boulevard tree are not completed, they fail, and we go back and we start all over. A lot of times what's happening is we say, hey, we were out there, the sod wasn't installed, let us know once it is, and a lot of times that communication is then dropped. We've put the ball back in their court, and we're not hearing back. So, again, that continues the process.

Now, hypothetically, we get through this entire process, we get the sod in and the boulevard tree, the curb stop's been inspected, its keyable, it works, the whole nine yards. We do eventually issue that final CO, but this process can certainly take some time, depending on if there are problems on that road before they're resolved.

So, why am I standing here, having this conversation with you? These numbers really tell it all. We've got some awesome staff who are hands on in this process, and they've raised their hands and they've said, hey, this isn't working, this isn't efficient; how can we look at this and be better?

What this is showing, in 2024, and this is by builder or developer, how many TCOs did we issue in 2024, between the months of, I believe warmer months, between May and the end of September? Astonishingly, for each of these developments, well above 50% of the TCOs that we've been issuing, we've been issuing in months for all of these items that I just talked about (boulevard trees, sod, curb box inspections, canopy stuff); the weather is not impacting their ability to get those things completed. So, a big red flag, and what was our takeaway? About 40% of the time those TCOs are being issued between April and November. So, how do we look at this differently to limit the TCOs in those months? I think the biggest thing is referencing there's no cost recovery for that process; so, when we go back in this timeline, as we continue to jump back and forth on this timeline, send reminders, follow ups, hey, you still have it out there, we aren't getting any cost recovery and there's no fee associated with it. We do hold the escrow to make sure that process is going, but this process does take a lot of staff time.

So, communication is one of the safest things. Obviously, our builders have become accustomed, we've helped, we've supported them through some ups and downs in the market. We always wanted to be a community that was willing to support our builders and developers, which we have been. I think now we're at a point where we can say, listen, between May and September, these exterior items can be done. However, we still offer this opportunity to you between October and May of the following year.

There are several ways that we're going to communicate this out to these builders: Every year we do try to gather our builders together, checking, looking into different ways with staff, and builders, here are some things as a reminder from a staff perspective to help this process flow smoothly. We have really good conversations, so that's planned for March.

We'll work on a Draft Policy, which I want to be clear we've never had; so, this Policy is really going to help us have some guidelines, as well as standards, that we can follow and really help to educate the builders that this is the standards you need to meet.

And then, finally, we are going to include some language in our Development Agreement (DA) moving forward. Those that are out there are staying the way that they are, we aren't changing those. Moving forward, we want to make sure that it is clear in those DAs, as early in the process as we can that yes, a TCO is an option between the months of October and May; in those warmer months, they still are an option, however, we will require an additional \$8K escrow fee submitted during those warmer months as better protection for us, as a City. You're telling us you're truly going to get this done in a timely manner, and we have to stay on top of this.

So, again, what we're ultimately proposing is to say TCOs will be issued all year round; however, if you need one between the months of May and October, an additional \$8K escrow is required. We'll be changing that.

Director Schmitz asked if there were any questions; Mayor Bailey replied let's start with Council Member Olsen, but I have a couple, too.

Council Member Olsen said so, I know we've done TCOs since, well, we've been doing them forever. I know that to your point, in the winter months, it's a very useful tool. That data that you provided, with respect to the number of TCOs in the warmer months, is certainly, I don't know if concerning is the word but interesting. So, here's my question: Did we ask why?

Director Schmitz replied we have had conversations specifically with one builder for a certain situation, and what we've recognized is the City's making it easy, and we've been complacent as staff to let them continue that process. When we went out and had conversations with other communities, TCOs are options, but they certainly try to stay away from them, especially in the summer months. So, I would say of the communities we had conversations with, we are the most complacent.

Council Member Olsen said so, in my experience, which is not nearly to the degree you guys have, TCOs are much more common in the commercial developments than they are in residential developments. The reason I asked you the question, did we ask why, is because I'd like to know if there's a legitimate reason behind why a TCO may make sense; the example that was running through my brain is we're in 2025, but it just seems like yesterday we were dealing with COVID. One of the things that that did is it put the supply chain into absolute pandemonium, and so, it's entirely possible that somebody would be in a position where they're asking for a TCO due to a delay in delivery of supplies or materials of nonessential items. Like you mentioned, we're not talking about life safety or anything like that. To me, that would be a legitimate reason. I also think it's true, as we all know from our experience with builders and developers, that sometimes they like to take the path of least resistance, that is the least expensive. When you put dollars and cents, like you're suggesting, behind one of their decision points, they may make a different decision. So, I don't disagree with that at all. But I just don't want to be penalizing somebody if they have a truly legitimate concern; you know, your building specs called for Widget A vs. Widget B, and Widget A is on backorder for the next three months. Do you follow me?

Director Schmitz replied, I do, I do, and I think that's why an escrow is glued to a TCO. This isn't something we're going to keep.

Council Member Olsen replied right, they'll recapture that if they meet the timeline requirements.

Director Schmitz they'll recapture it, but we want you to prove to us that things are getting done.

Council Member Olsen said and look, it is entirely legitimate that we have a concern about not being able to capture revenue for that additional inspection time, that additional administrative time, as those things all cost money. It's like when people make a public data request, that's not free, it's not free, right? We have people who have to find stuff and copy stuff, and there's a cost to all of that. But I just, again, I just want to make sure that weren't not being punitive in situations where we really maybe shouldn't be. Does that make sense, am I saying that right, Jennifer?

Administrator Levitt replied yes. Mayor and Council, you kind of asked what's driving it, so I'll give you my two cents. Obviously, labor and management is not very good in regards to building trades, right? Because the superintendent has to be able to program out, if they have a closing on July 1st, they have to speculate and coordinate when the tree's going to get installed and when the sod's going to get laid.

Council Member Olsen said yeah, because they have different groups that are coming in to do that work.

Administrator Levitt replied correct. So, if you think about it, so, they're not, that's one factor and they're obviously just coordinating with the closing date. So, one of the other things is, let's think about this as a builder, you have 20 lots, and you close on those 20 lots in May, June, and July; you've got the cash and haven't sodded those lots, but you're going to sod them all in August. And, so, it's cheaper for you to do it, you're going to sod 20 lots all on the same day. I think maybe one neighborhood has probably experienced that, right, where you receive the sod, and the company is just coming in and laying sod on all 20 lots. It's more cost effective, right? But now let's think about those homeowners that were in those 19 other homes; they had dirt lawns all summer because they were not motivated to sod those lots individually, as they had been. And, so, that's where I would say those builders are taking advantage of our homeowners and taking advantage of our generosity.

Council Member Olsen said well, and they're hanging onto that cash.

Administrator Levitt replied exactly, and all they would have to do is be able to coordinate the schedules, and that's really an option that developer-builder have. And, so, the people who are being penalized are our residents because what happens is those lots sit all summer, and I'm sure you've seen it, right? You've seen the silt fence, and you've seen the mulch sprayed all over, and then you see rivets all over the place, and these people have installed their irrigation, and now they're out there regrading it, they've damaged the irrigation and all this stuff, right? The people who will continue to pay are our residents and not us. I mean, can you tell I'm becoming irritated? It bothers me because they're really taking advantage of our residents, and the residents want us to have some leverage, right? But trust me, over the 20 years, I've had plenty of people crying to me, "I'm supposed to close on Friday, I need a Temp CO." Yep, that happens, right? But now we have a mechanism, if your builder didn't do it, he has to give us \$8K.

Council Member Olsen said yeah, there's a degree of accountability.

Administrator Levitt replied, exactly. So, now that resident who's going to get the TCO because they cried, which honestly, who does not want to close on their dream house, you know, on Friday, because they have the mover already scheduled? We're not going to stand in the way, but your builder can post an \$8K escrow, and he'll be really motivated to get your sod and all that stuff done for you. So, if we do this, I'm telling you, they're going to be a little bit irritated and you may hear about it, but at the end of the day, I feel like we're protecting the residents. I'm sorry, Emily, I took all of your responses.

Council Member Olsen asked Administrator Levitt, do you feel better now? She replied, I do, I feel fine, thank you. Council Member Olsen said you look lighter, yes.

Mayor Bailey said well, it's interesting because I mean TCOs, I can totally see it during the winter for some of the things, but to have those kind of numbers over the summer months, that's not right.

Council Member Olsen said and again, in commercial developments, it is super common, I get it because of the scope.

Council Member Garza said as a member of the Council, I think that's a good idea, and especially some escrow; so, it's not, we're not charging them. Council Member Olsen said yeah, they can recapture that.

Mayor Bailey asked what's the original amount that's in there, Emily? She replied the original builder escrow is somewhere around, and actually we just reevaluated it.

Council Member Olsen asked it's a percentage, is it not?

Director Schmitz replied no, in the DA, it's actually a number, so that includes sod, a boulevard tree, and then the inspection for the curb box. Right now, it's about \$7,200 for that escrow, and I want to be clear that number is more up-to-date with the cost of truly what it costs to sod a yard. We hadn't reevaluated that for some time, and I think we learned that after that development.

Council Member Olsen said yeah, after that development that went sideways.

Council Member Garza said yeah, after the storm, we just learned all that.

Director Schmitz said so at least that escrow would cover if or when you do have a developer who doesn't do all of this. Mayor Bailey said okay.

Council Member Olsen said yeah, you raised a good point about protecting the end user; I think that's very valid. I'm good with it. Council Member Clausen agreed, and Council Member Thiede said yes, I agree.

Mayor Bailey said there you go. Are there any other items to cover?

Council Member Olsen asked you're going to codify this, though, right? So, it'll come before us in a Code that we're going to need to approve?

Director Schmitz replied so, this will be a Policy, as opposed to in our actual Code. But a Policy is just the same, and then at least we can hold them accountable in our Development Agreement moving forward; Administrator Levitt said and we'll memorialize it, so there's nothing hidden, and there's no gain to us, it'll be straight.

Council Member Olsen said so, it will be baked right in, perfect.

Council Member Clausen said I think we'll hear some of that pushback. So, I'm just curious how they'll explain why they didn't do this in the summer in our community vs. the other communities where they have to get it done, why it's just here. Council Member Olsen said right.

14. WORKSHOPS - CLOSED TO PUBLIC - None.

15. ADJOURNMENT

Motion by Council Member Olsen, second by Council Member Thiede, to adjourn the meeting at 8:27 p.m.

Motion carried: 5-0. Mayor Bailey said we're adjourned, thanks everyone.

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