



City of Blaine
Anoka County, Minnesota
Minutes - Final
City Council

10801 Town Square Dr.
Blaine MN 55449

Thursday, September 6, 2012

7:30 PM

Council Chambers

Meeting Number 12-50

1. CALL TO ORDER BY THE MAYOR

The meeting was called to order at 7:30 p.m. by Mayor Ryan followed by the Pledge of Allegiance and the Roll Call.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Quorum present.

ALSO PRESENT: Bryan Schafer, Community Development Director; Bob Therres, Public Services Manager; Joe Huss, Finance Director; Stefan Higgins, Assistant City Engineer; Chris Olson, Safety Service Manager/Police Chief; Roark Haver, Communications Technician; Al Thorp, Senior Engineering Technician; Jane Cross, City Clerk; and Recording Secretary Linda Dahlquist.

Present: 7 - Mayor Ryan, Councilmember Hovland, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, Mayor Pro Tem Kolb and Councilmember Herbst

4. APPROVAL OF MINUTES

4.-1 [MIN 12-29](#)

WORKSHOP MEETING - 08/09/2012
WORKSHOP MEETING - 08/16/2012
REGULAR MEETING - 08/16/2012
WORKSHOP MEETING - 08/23/2012

Sponsors: Cross

Attachments: [Workshop Meeting 08/09/12](#)
[Workshop Meeting 08/16/12](#)
[Regular Meeting 08/16/12](#)
[Workshop Meeting 08/23/12](#)

Moved by Councilmember Swanson, seconded by Councilmember Herbst, that the Minutes be Approved. The Motion was adopted unanimously. (Councilmember Hovland abstained from the Workshop Meeting of August 16, 2012 and the Regular Meeting of August 16, 2012 due to his absence.)

5. AWARDS - PRESENTATIONS - ORGANIZATIONAL BUSINESS

5.-1 TMP 12-494

Police Chief Olson introduced Lead Explorer Advisor Sargent Brian Owens. Officer Owens stated there are currently 45 police explorers (25 are new to the program this year). He stated the program has 16 Blaine police officer advisors who were also former explorers. He stated the Explorers have over 4,000 hours worked at events like the 3M Championship. He stated 30 Explorers attended the State Conference that was held in Rochester, Minnesota where they received five awards. He stated two teams with four Explorers attended the National Conference that was held in Fort Collins, Colorado where they took fifth place in the traffic competition. Officer Owens recognized the sponsors that donated over \$1,000 to the program: Jennifer Hines with 3M Championship; Chad Moore and Linda Gunderson with Walmart; Pam and Art Smith with Auto Medics Towing, Tom Holland with Tom Holland Insurance Agency, State Farm Insurance. Officer Owens thanked all of the Explorer sponsors for their support.

Councilmember Kolb asked if all of the Explorer sponsors could be posted on the City's website.

Councilmember Hovland asked if there are other organizations, agencies or groups like the Explorers and if the candidates were in Scouting before becoming an Explorer. Officer Owens replied many were involved in Scouting.

Mayor Ryan thanked Officer Owens for his work with the Explorer Program and the Explorers for their work.

5.-2 [PROC 12-04](#)

CONSTITUTION WEEK 2012

Mayor Ryan proclaimed the week of September 17-23, 2012 to be Constitution Week in the City of Blaine.

6. COMMUNICATIONS

Mayor Ryan invited residents to attend Worldfest on September 15th.

Councilmember Swanson stated the Mary Ann Young Senior Center celebrated their 30th anniversary on August 30th.

Councilmember Kolb welcomed the Rose Garden restaurant to Blaine.

Mayor Ryan introduced and welcomed *Blaine Life* newspaper reporter Eric Hagen.

7. OPEN FORUM FOR CITIZEN INPUT

Mayor Ryan opened the Open Forum at 7:54 p.m.

There being no input, Mayor Ryan closed the Open Forum at 7:54 p.m.

8. ADOPTION OF AGENDA

9. 8:00 P.M. - PUBLIC HEARING AND ITEMS SET FOR A CERTAIN TIME

None.

10. APPROVAL OF CONSENT AGENDA:

Councilmember Kolb requested the removal of agenda item 10.2.

Moved by Councilmember Bourke, seconded by Councilmember Herbst, to Adopt the Consent Agenda. The Motion was adopted unanimously.

Approval of the Consent Agenda

Moved by Councilmember Bourke, seconded by Councilmember Herbst that the following items be Approved by Consent Vote. Motion adopted unanimously.

10.-1 [MO 12-111](#)

SCHEDULE OF BILLS PAID

Sponsors: Huss

Attachments: [08/10/12 Bills Paid](#)
[08/17/12 Bills Paid](#)

Approved unanimously by Consent Vote.

- 10.-3 [MO 12-113](#) **APPROVE A TOBACCO & TOBACCO PRODUCTS LICENSE FOR NK INC. DBA GET-N-GO, 8550 LEXINGTON AVEUNE**

Sponsors: Cross

Approved unanimously by Consent Vote.

The Following Item is Scheduled for Second Reading

- 10.-4 [ORD 12-2252](#) **VACATION OF DRAINAGE AND UTILITY EASEMENTS LOTS 9, 10, 11 & 12, BLOCK 3; LOT 1, BLOCK 5; AND OUTLOT J, GARDENWOOD AND LOT 1, BLOCK 2, GARDENWOOD 2ND ADDITION VACATION NO. V12-03, CHAPTER 197**

Sponsors: Assistant City Engineer Higgins

Attachments: [V12-03 Gardenwood Map](#)

Adopted unanimously by Consent Vote.

- 10.-2 [MO 12-112](#) **APPROVE A TOBACCO & TOBACCO PRODUCTS LICENSE FOR DISC LIFE, 11712 JEFFERSON STREET NE, BLAINE**

Sponsors: Cross

Councilmember Kolb stated the mall was not doing well and it is good to see new business come in.

Moved by Mayor Pro Tem Kolb, seconded by Councilmember Bourke, that this Motion be Approved. The Motion was adopted unanimously.

11. **DEVELOPMENT BUSINESS**

- 11.-1 [RES 12-113](#) **FINAL PLAT APPROVAL TO SUBDIVIDE 9.32 ACRES INTO 13 SINGLE FAMILY LOTS AND FOUR (4) OUTLOTS TO BE KNOWN AS THE LAKES OF RADISSON 52nd ADDITION AT 123rd LANE/NORTH LAKES**

**BOULEVARD. HANS HAGEN HOMES (CASE FILE NO.
12-0021/SLK)**

Sponsors: Schafer

Attachments: [Attachments - Final Plat](#)

Planning and Community Development Director Schafer stated this is a final plat for Hans Hagen Homes. This plat is for 13 lots and 4 outlots for future development. Development has started and the site is being graded with utility work starting in a few weeks. The conditions of approval are similar to The Lakes development.

Moved by Councilmember Bourke, seconded by Councilmember Herbst, that this Resolution be Adopted. The Motion was adopted unanimously.

11.-2 [RES 12-114](#)

**CONDITIONAL USE PERMIT TO REPLACE AN
EXISTING SIGN WITH AN ELECTRONIC READER
BOARD IN AN R-1 (SINGLE FAMILY) ZONING DISTRICT
AT 9901 UNIVERSITY AVENUE NE. UNIVERSITY
AVENUE ELEMENTARY SCHOOL. (CASE FILE NO.
12-0023/GG)**

Sponsors: Schafer

Attachments: [Attachments.pdf](#)

Planning and Community Development Director Schafer stated reader boards in residential areas require Conditional Use Permits and Council action. The existing sign is old and deteriorating and the school will replace the sign with a new and modern style digital sign. The new signage meets all the Conditional Use Permit's requirements.

Councilmember Hovland asked about the sign's brightness. Planning Community Development Director Schafer replied in sign has an automatic lighting control and dims down in the evening depending on the area it is located.

Moved by Councilmember Swanson, seconded by Councilmember Clark, that this Resolution be Adopted. The Motion was adopted unanimously.

11.-3 [RES 12-115](#)

**CONDITIONAL USE PERMIT TO OPERATE A MAJOR
AUTO REPAIR FACILITY IN A B-2 (COMMUNITY
COMMERCIAL) ZONING DISTRICT AT 10112 SUNSET
AVENUE NE. BOURKE BROTHERS. (CASE FILE NO.
12-0025/LSJ)**

Sponsors: Schafer

Attachments: [Attachments.pdf](#)

Councilmember Bourke declared a conflict of interest because they will do auto repair and towing and left the meeting at 8:05 p.m.

Planning and Community Development Director Schafer stated the applicants would like to operate an automobile repair business at 10112 Sunset Avenue. The Bourke Brothers have applied for a Conditional Use permit under the current zoning as minor auto repair. He stated the site is small and parking limited.

Councilmember Herbst agreed the parking will be tight at this site. He commented on the south side of the building the curb goes straight across to the car wash, so if the curb was removed there would be extra parking for three vehicles and if two trees were removed from the west would increase parking. He asked if the Resolution could be amended tonight. Planning Director Schafer replied no, parking expansion would require reopening the variance because it would be an expansion of parking. He stated the applicant could file a plan and go through with a setback subsequent variance. The site is small and additional parking would require reopening the variance.

Councilmember Clark questioned the existing parking and the location of the customer parking. Planning and Community Development Director Schafer replied the applicants will manage the customer parking. He stated there are three stalls on the south side and three stalls on the north side.

Councilmember Swanson commented the applicants will need a variance for setback. Planning and Community Development Director Schafer stated there have been variances made to the lot and the lot size is equal to a single-family lot.

Councilmember Bourke returned at 8:14 p.m.

Councilmember Hovland left the meeting at 8:13 p.m. and returned at 8:16 p.m.

Councilmember Herbst left the meeting at 8:15 p.m. and returned at 8:17 p.m.

**Moved by Councilmember Herbst, seconded by Mayor Pro Tem Kolb, that this Resolution be Adopted. The Motion was adopted unanimously.
(Councilmember Bourke abstained due to conflict of interest.)**

11.-4 [RES 12-116](#)

**CONDITIONAL USE PERMIT TO ALLOW FOR
CONSTRUCTION OF A 59-UNIT SENIOR LIVING
FACILITY (34 ASSISTED LIVING UNITS AND 25**

**MEMORY CARE UNITS) AT 125th AVENUE/CLOUD
DRIVE NE. EDGEWOOD MANAGEMENT GROUP. (CASE
FILE NO. 12-0026/SLK)**

Sponsors: Schafer

Attachments: [Attachments.pdf](#)

Planning and Community Development Director Schafer stated Edgewood Vista will construct a single level, 59 unit building with three courtyards. The site plan shows a driveway on the north that will be removed and the site will have two full access driveways on Cloud Drive and 124th Court. He stated the two parcels will be combined into one.

Ross Hoodman, Vice President, Edgewood Management Group, Grand Forks, ND and Matt Frisbee, Frisbee Architects and Design, were in attendance. Mr. Hoodman stated Edgewood is celebrating its 20th anniversary. He stated Edgewood has 45 communities in 7 states.

Moved by Mayor Pro Tem Kolb, seconded by Councilmember Bourke, that this Resolution be Adopted. The Motion was adopted unanimously.

12. ADMINISTRATION

12.-1 [MO 12-114](#) APPROVE DNR GRANT OF \$35,000 FOR EMERALD ASH BORER PROGRAM

Sponsors: Public Works Director Ulrich

Public Works Director Ulrich stated the City received \$35,000 grant from the DNR to use for the Emerald Ash Borer Program. He stated this would require a \$10,000 match from the City, which would come from the Reforestation Fund. He stated the City will remove infected trees on the boulevards and replace the tree.

Councilmember Clark asked if there is a fee to the resident if they ask the City to take down an infected tree and replace it. Public Works Director Ulrich replied the City only removes trees on the boulevards.

**Moved by Councilmember Swanson, seconded by Mayor Pro Tem Kolb, that this Motion be Approved. The motion passed by the following vote:
(Councilmember Hovland voted against due to the grant requirement for a \$10,000 City match.)**

Aye: 6 - Mayor Ryan, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, Mayor Pro Tem Kolb and Councilmember Herbst

Nay: 1 - Councilmember Hovland

12.-2 [RES 12-117](#)

**ACCEPT BID FROM KNIFE RIVER CORPORATION -
NORTH CENTRAL IN THE AMOUNT OF \$102,525.50 FOR
THE AQUATORE PARK PARKING LOT OVERLAY
(IMPROVEMENT PROJECT NO. 12-13)**

Sponsors: Therres

Attachments: [Aquatore Park Parking Lot Overlay.pdf](#)

Public Services Manager Therres stated eight bids were received and it has been determined that Knife River Corporation - North Central of Sauk Rapids, Minnesota is the lowest bidder. The Engineering department has worked with Knife River on previous contracts and recommends the low bid be accepted and a contract entered into with Knife River Corporation - North Central. The Council is also asked to approve a 10% contingency to bring the total project budget to \$112,778.05.

Moved by Councilmember Swanson, seconded by Mayor Pro Tem Kolb, that this Resolution be Adopted. The Motion was adopted unanimously.

The Following Two Items are Related

12.-3 A [RES 12-118](#)

**ORDER PREPARATION OF PROPOSED ASSESSMENT
FOR THE 2012 PAVEMENT MANAGEMENT PROGRAM -
BITUMINOUS OVERLAY, IMPROVEMENT PROJECT
NO. 12-01**

Sponsors: Assistant City Engineer Higgins

Attachments: [12-01AsmtRollOrder&Call.xls](#)
[FINAL ASSESSMENT MAP.pdf](#)

Assistant City Engineer Higgins stated the 2012 Pavement Management Program is complete. The total project cost is \$293,383.11; total amount to be assessed is \$106,381.00; and the City's Pavement Management Program funds will contribute \$187,002.11.

Councilmember Herbst stated the manholes were too low and asked if the issue has been fixed. Assistant City Engineer Higgins replied the contractor fixed the issue.

Councilmember Herbst asked if the City has heard from the residents. Assistant City Engineer Higgins replied neighboring residents wanted to know when their streets will be done.

Moved by Mayor Pro Tem Kolb, seconded by Councilmember Herbst, that this

Resolution be Adopted. The Motion was adopted unanimously.

12.-3 B [RES 12-119](#)

**CALL FOR HEARING ON PROPOSED ASSESSMENT FOR
THE 2012 PAVEMENT MANAGEMENT PROGRAM -
BITUMINOUS OVERLAY, IMPROVEMENT PROJECT
NO. 12-01**

Sponsors: Assistant City Engineer Higgins

Attachments: [12-01AsmtRollOrder&Call.xls](#)
[FINAL ASSESSMENT MAP.pdf](#)

Moved by Councilmember Bourke, seconded by Councilmember Hovland, that this Resolution be Adopted. The Motion was adopted unanimously.

12.-4 [MO 12-115](#)

**ACCEPT THE SITE FURNISHINGS FOR LEGACY CREEK
PARK PROPOSED BY MINNESOTA/WISCONSIN
PLAYGROUND AT A COST NOT TO EXCEED \$20,000.**

Sponsors: Kappelhoff

Attachments: [Concept 6-PB Recommended.pdf](#)

Public Services Manager Therres stated the development of Legacy Creek Park continues with site furnishings of the picnic shelter, benches, bike rack and picnic tables, trash receptacles, and the basketball standard and hoop. He stated the budgeted amount for these furnishings, installation and associated costs is not to exceed \$20,000.

Moved by Mayor Pro Tem Kolb, seconded by Councilmember Bourke, that this Motion be Approved. The Motion was adopted unanimously.

12.-5 [RES 12-120](#)

**ADJUSTING CERTAIN TAX LEVIES FOR BONDED
INDEBTEDNESS FOR FISCAL YEAR 2013**

Sponsors: Huss

Finance Director Huss stated the next three items relate to the preliminary tax levy and general fund budget. He stated annually the debt service levies are reviewed to ensure the levies cover bond payments and adjust the levies downward due to taxes and assessment collections. The City's levies are the G.O. Open Space Refunding bonds of 2010A, G.O. Special Assessment Improvement bonds, G.O. Capital Improvement bonds, and the Capital Equipment Certificates of Indebtedness. He stated this resolution will adjust the levy to the amount that is needed.

Councilmember Clark questioned the life of the open space bond. Finance Director Huss replied it is a 20-year bond that was refinanced for the remainder of the life and continued the same schedule of the original bond issue.

Moved by Councilmember Swanson, seconded by Councilmember Herbst, that this Resolution be Adopted. The Motion was adopted unanimously.

12.-6 [RES 12-121](#)

**CERTIFYING PROPOSED GENERAL FUND BUDGET
AND TAX LEVY FOR FISCAL YEAR 2013**

Sponsors: Huss

Finance Director Huss stated the preliminary budget and tax levy is required to be adopted and certified to Anoka County prior to September 15, 2012. He stated the Council certifies the preliminary budget and tax levy annually. He stated the 2013 preliminary tax levy (cannot be increased) will be the same dollar amount as 2012. He stated the 2013 preliminary budget (can be increased or decreased) has a \$500,000 gap that could be filled from increased revenues (nontax levy), reductions in expenses, or additional use of reserves.

Mayor Ryan stated taking funding from reserves will put the City in a hole and stated EDA funding is low and will have to come out of the general fund. He stated the fund was established to cover levy loss and emergencies. He stated he is concerned the City's bond rating will be affected by not have enough funds and asked how much is in the fund currently. Finance Director Huss replied the City's unrestricted reserve fund has \$1.1 million and the Council identified \$500,000 to be used in 2013 and \$500,000 to be used in 2014 as a funding source.

Councilmember Kolb stated the economy is bad, the City is maturing and no longer has an economic developer, and the Council cannot assume that growth will bring the City around. She stated if there is a disaster, the City needs funds in reserve.

Councilmember Clark stated he does not like to use the City's reserve funds. He stated he is disappointed with assumption based budgeting and the City cannot do the same thing year after year. He stated the City is facing an uncertain future and raising taxes is not the right solution. He stated the residential survey benchmarked the City's current services but cannot be used as a tool for budgeting.

Mayor Ryan stated the City cannot go back to budgeting from 2005 when the City did not have a reserve and had to cut staff. He stated if the City gets one year with a good economy and then it drops the next, the City will be faced with a major levy and the EDA funding will have to come out of the general

fund. He noted it has been ten years since the City had to levy for the EDA.

Councilmember Clark stated the EDA owns land that could be sold. He stated the City is third in the metro area in housing permits and he wants the Council to dig into the budget, which has not been done to the level needed.

Councilmember Bourke stated the Council is not only looking at the general fund reserve and he would like to see a cap on the budget.

Mayor Ryan stated when the City runs out of reserve money; residents will be hit with a major increase in one year instead of small increases over several years.

Councilmember Kolb stated the Council has not conducted a business survey and the residential survey revealed the residents want to keep the same levels of staffing and service. She does not support the budget.

Councilmember Herbst commented the unrestricted reserves had gone up from last year. He stated expenditure reductions are also possibilities and he supports the budget.

Mayor Ryan stated cutting City staff or taking money from reserves leaves the City short.

Councilmember Bourke stated he supports the budget and there is a reason the City has reserves. Finance Director Huss replied the City's reserves are between \$11 million and \$12 million in order to have operating funds for the first half of the year until property tax money is received. He stated the City has \$2 million for contingency funding if the State reduces aid, which has happened in previous years. The unrestrictive reserve has \$1.1 million and Council's direction was to use \$500,000 for both 2013 and 2014.

Councilmember Kolb stated the City no longer has a developer and the City is maturing. The Council cannot assume growth will bring the City around.

Councilmember Clark stated he does not like to use the City's reserves. He stated the Council needs to dig deep into the budget. He stated the survey is not to be used as a tool to determine the budget.

Mayor Ryan stated it has been ten years since the EDA levied.

Councilmember Bourke stated the reserve is taxes held and managed. He suggested a cap.

Councilmember Hovland stated the Council needs to be careful on what the City spends money. He suggested maintaining until the economy turns.

Councilmember Kolb stated she is concerned there is nothing left to cut out of the budget. She supports the amendment motion.

Councilmember Swanson stated the City will muddle through 2013. He is concerned there will be major funding problems for 2014.

Councilmember Herbst stated the bonding company has commented the City carries a larger surplus in reserves than other cities and is in great shape with the bond rating. He stated he supports the budget.

Mayor Ryan commented the City pays money for Local Government Aid and does not get anything back, but other cities get a return.

Councilmember Herbst commented the City has a membership with the Metro Mayors Association and they need to lobby against federal mandates.

Moved by Mayor Ryan, seconded by Councilmember Kolb, that Resolution 12-121, "Certifying Proposed General Fund Budget and Tax Levy for Fiscal Year 2013," be amended to add \$500,000 to the tax levy. The amendment failed 2-5 (Councilmember's Bourke, Clark, Herbst, Hovland and Swanson voted no).

Aye: 2 - Mayor Ryan and Mayor Pro Tem Kolb

Nay: 5 - Councilmember Hovland, Councilmember Swanson, Councilmember Clark, Councilmember Bourke and Councilmember Herbst

[RES 12-121](#)

**CERTIFYING PROPOSED GENERAL FUND BUDGET
AND TAX LEVY FOR FISCAL YEAR 2013**

Sponsors: Huss

Moved by Councilmember Bourke, seconded by Councilmember Herbst, that this Resolution be Adopted. Council Member requested a roll call vote. Motion adopted 5-2 (Mayor Ryan and Councilmember Kolb voted no).

Aye: 5 - Councilmember Hovland, Councilmember Swanson, Councilmember Clark, Councilmember Bourke and Councilmember Herbst

Nay: 2 - Mayor Ryan and Mayor Pro Tem Kolb

12.7 [RES 12-122](#)

**ESTABLISHING PUBLIC HEARING DATES FOR THE
PROPOSED GENERAL FUND BUDGET AND TAX LEVY**

Sponsors: Huss

Moved by Mayor Pro Tem Kolb, seconded by Councilmember Herbst, that this

Resolution be Adopted. The Motion was adopted unanimously.

12.-8 [RES 12-080](#)

**APPROVE PARKING RESTRICTIONS ON THE NORTH
SIDE OF 121ST AVENUE BETWEEN 3RD STREET AND
7TH STREET**

Sponsors: Assistant City Engineer Higgins

Attachments: [121st Ave No Parking Petition.pdf](#)
[Loc Map - 121st No Parking.pdf](#)
[121st Ave Parking PB Minutes.doc](#)
[Resident Emails and Letter on 121st Ave Pkg](#)

Assistant City Engineer Higgins stated a petition signed by ten residents requesting parking restrictions on the north side of 121st Avenue, Monday through Friday, 4:30 to 8:30 p.m., May 1 through August 31 due to dangerous driving conditions from having parking on both sides of the street. A neighborhood meeting was held and nine residents attended. He stated the Engineering and Police Departments monitored this area for a year and did not observe a safety problem with the street parking.

Councilmember Kolb stated she is concerned it is a small percentage of the neighborhood. She asked if the Park Board has reviewed and she would like to see a staff report on spillover. She stated since baseball season is over, the Council has time to review detailed information.

Councilmember Herbst stated he met with the residents and attended the public meeting. He stated there is a safety issue during the baseball season with parking on both sides of the road. He stated the spill over will be in the park's parking lot and on one side of the street.

Councilmember Kolb stated the report says street parking is not a safety issue. She is concerned that a staff member may have said at the public hearing it is a safety issue. Councilmember Herbst replied the staff member said the parking could be facilitated in the park.

Mayor Ryan stated he believed the parking issue was due to Main Street being closed. He stated the Council needs to be more consistent with parking restrictions.

Councilmember Clark questioned the parking restriction until August when baseball ends in July.

Councilmember Herbst withdrew his motion and Councilmember Hovland withdrew his second to the motion.

Moved by Councilmember Herbst, seconded by Mayor Ryan, that the Park Board be asked to research parking around Happy Acres Park and report to the Council within three months. The report should include the duration of the parking restriction, the impact of parking overflow on other streets, and additional parking within the park.

Motion adopted unanimously.

12.-9 [MO 12-116](#)

APPROVAL OF PROPOSAL TO CONFIGURE AND HOST CITY OF BLAINE'S UTILITY BILLING DATA

Sponsors: Therres

Attachments: [Sensus Document](#)

Public Services Manager Therres stated in 2004 an automated meter reading system was installed by Sensus Fixed-Net System. He stated Sensus' is looking to discontinue the older system and is willing to upgrade the City's system by providing the hardware and programming needed to transition to the newer system at no additional cost. He stated Sensus is proposing to host the entire City's existing and new utility billing data at their data centers. The proposal is to charge \$10,000 to configure the existing data and charge \$3,989.60 per month to host the data. He stated the City has an existing contract with Sensus.

Councilmember Swanson asked how the \$48,000 will be covered and will the City get rid of any costs. Public Services Manager Therres replied the costs are covered under the Utility Fund. He stated the City's servers will be freed up. City Manager Arneson stated the City has one staff member who is dedicated to utility software.

Councilmember Bourke questioned the contract term. Public Services Manager Therres stated in 2004 the City signed a 20-year contract with Sensus and the hosting data contract is for 3 years.

Councilmember Bourke questioned the data security. Public Services Manager Therres stated the data is secured public data.

Councilmember Clark questioned the ownership of the data. Finance Director Huss replied the data is the City's public data that includes water usage and sewer usage.

Councilmember Clark requested from staff further information on cost savings, labor savings, other bids on the service, other alternatives. He requested more cost benefit before Council action.

Councilmember Clark withdrew his motion and Councilmember Swanson withdrew his second to the motion.

Moved by Councilmember Clark, seconded by Councilmember Hovland, that staff be asked to conduct further cost benefit analysis and provide more information on the competitive bidding process.

Motion adopted unanimously.

12.-10 [MO 12-117](#)

**APPOINT HLB TAUTGES REDPATH AS AUDITORS AND
EXTEND CONTRACT THROUGH FISCAL YEAR 2014**

Sponsors: Huss

Attachments: [HLBTR Audit Services](#)

Councilmember Herbst left the meeting at 9:35 p.m. and returned at 9:39 p.m.

Finance Director Huss stated the Council is asked to extend the contract with HLB Tautges Redpath (HLBTR) for three years. He stated the contract includes a 3.5% increase over the three-year contract. The agreement includes accounting assistance from HLBTR.

Councilmember Swanson asked if the firm's lead auditor or team would change. Finance Director Huss replied the auditors are rotated and the audits are conducted under strict guidelines.

Councilmember Clark asked if the contract can be extended for one year instead of three years. He suggested using temporary accounting staff for the audit. Finance Director Huss replied the accounting work is done by the City's staff. HLBTR cannot use temporary staffing. He stated City staff supplies all documentation to the auditor.

Mayor Ryan asked if the City would get a quality auditor for a one- to two-year period. Finance Director Huss replied no, there is a large amount of staff time and additional cost that goes into the first year for the auditor to get the familiarity and history from the last audit firm. Auditor's contract is for a long-term relationship.

Councilmember Bourke asked if HLBTR can give the City a firm number on accounting assistance instead of an arbitrary number. Finance Director Huss stated the City's lack of staffing caused delays. Councilmember Bourke stated he would be in favor of a one-year contract.

Councilmember Herbst asked if the contract has a cancellation clause. Finance Director Huss replied the contract is for a three-year extension and annually the engagement letter sets the responsibilities and the cost. Councilmember Herbst asked if the City can cancel the contract. Finance

Director Huss replied the City could opt out in a timely manner to request proposals.

Councilmember Swanson stated he would prefer a two-year agreement.

Moved by Councilmember Clark, seconded by Councilmember Bourke, that the HLBTR contract be extended for one year.

Councilmember Clark withdrew his motion and Councilmember Bourke withdrew his second to the motion.

Councilmember Clark asked how much staff time it takes for RFPs. Finance Director Huss stated it took staff time to review the received proposals which was two days of three staff members last time.

Councilmember Clark asked how much time it takes for an audit. Finance Director Huss stated it takes time for the auditors to acclimate. He stated the first year auditors are in for three weeks and subsequent years the auditors are in for one week.

Moved by Councilmember Swanson, seconded by Mayor Ryan, that the HLBTR contract be extended for two years.

Moved by Mayor Pro Tem Kolb, seconded by Mayor Ryan, that this Motion be Approved as Amended. The Amended Motion was adopted unanimously.

Amendment adopted 4-3 (Councilmembers Clark, Herbst and Hovland voted no).

The Following Two Items are Related

12.11A [MO 12-098](#)

APPROVE OF SECOND AMENDED REAL PROPERTY LEASE WITH FOGERTY ICE ARENA

Sponsors: Therres

Attachments: [2nd amended fogerty lease](#)

Public Services Manager Therres stated the lease agreement with Fogerty Arena needs to be amended with the addition of the Curling Facility. He stated the lease has a provision that includes a repayment agreement for moving an athletic field.

Councilmember Kolb stated she does not support this motion and does not agree with using City funds for the project.

Councilmember Swanson stated he does not support this motion due to Park funds being used.

Moved by Councilmember Clark, seconded by Councilmember Hovland, that

this Motion be Approved. Motion adopted 5-2 (Councilmembers Kolb and Swanson).

12.11B [RES 12-123](#)

**APPROVING OF REPAYMENT AGREEMENT WITH
FOGERTY ICE ARENA**

Sponsors: Therres

Attachments: [12029 Repayment Agreement](#)

Moved by Councilmember Clark, seconded by Councilmember Hovland, that this Resolution be Adopted. Motion adopted 6-1 (Councilmember Kolb).

13. **OTHER BUSINESS**

Councilmember Swanson stated the resident survey revealed stop light timing issues on Highway 65 and asked staff to contact MnDOT and the County. City Manager Arneson stated the Council will review the survey at the Workshop on September 13, 2013.

14. **ADJOURNMENT**

Moved by Councilmember Herbst, seconded by Councilmember Bourke, to adjourn the meeting at 10:10 p.m.

Motion adopted unanimously.