

UNAPPROVED

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL MEETING
Thursday, July 12, 2018

7:30 P.M.
Council Chambers
10801 Town Square Drive

CALL TO ORDER BY MAYOR RYAN

The meeting was called to order at 7:33 p.m. by Mayor Ryan followed by the Pledge of Allegiance and the Roll Call.

PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL

PRESENT: Mayor Tom Ryan, Councilmembers Dave Clark, Andy Garvais, Wes Hovland, Julie Jeppson, Jason King, and Dick Swanson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Economic Development Coordinator Erik Thorvig; Public Services Manager/Assistant City Manager Bob Therres; City Attorney Patrick Sweeney; City Engineer Jean Keely; Communications Technician Roark Haver; Senior Engineering Technician Al Thorp; and City Clerk Catherine Sorensen.

APPROVAL OF MINUTES

Workshop Meeting – June 7, 2018

Regular Meeting – June 7, 2018

SBM Workshop Meeting – June 12, 2018

Workshop Meeting – June 14, 2018

Closed Workshop Settlement Discussion Meeting – June 21, 2018

Workshop Meeting – June 21, 2018

Regular Meeting – June 21, 2018

Moved by Councilmember Swanson, seconded by Councilmember Garvais, that the Minutes of Workshop Meeting of June 7, 2018, the Minutes of the Regular Meeting of June 7, 2018, the Minutes of SBM Workshop Meeting of June 12, 2018, the Minutes of Workshop Meeting of June 14, 2018, the Minutes of Closed Workshop Settlement Discussion Meeting of June 21, 2018, the Minutes of Workshop Meeting of June 21, 2018, and the Minutes of the Regular Meeting of June 21, 2018 be approved.

Motion adopted. Councilmembers Hovland and Councilmember King abstained on the June 12, 2018 SBM Workshop meeting minutes due to their absence. Councilmember Jeppson abstained on the June 21, 2018 Closed Workshop, Workshop and Council meeting minutes due to her absence. Councilmember Clark abstained on the June 7, 2018 Workshop and the June 12, 2018 SBM Workshop meeting minutes due to his absence.

AWARDS - PRESENTATIONS - ORGANIZATIONAL BUSINESS

None.

COMMUNICATIONS

Mayor Ryan thanked the residents of Blaine for coming out and celebrating the 4th of July. He thanked the Police, Fire and Public Works Department for all of their hard work during this event. In addition, he thanked all of the volunteers that made the Blaine Festival a tremendous success.

Mayor Ryan thanked all of the individuals who were able to attend the two-day Safety Camp. He noted the City had 162 youth signed up for this event.

OPEN FORUM FOR CITIZEN INPUT

Mayor Ryan opened the Open Forum at 7:35 p.m.

Anthony Wilder, Candidate for 37A State Representative, introduced himself to the Council and shared his background. He thanked the Council for their service to the community and noted he hoped to serve the community as its State Representative in 2019.

Conner Cummiskey, ABC Newspapers, introduced himself to the Council and explained he was a new reporter for the *Blaine/Spring Lake Park Life*. He explained he would be the new reporter covering the City of Blaine.

There being no input, Mayor Ryan closed the Open Forum at 7:42 p.m.

ADOPTION OF AGENDA

The agenda was adopted as amended moving Items 12.1 and 12.2 up on the agenda, to be discussed after Public Hearings. In addition, Other Business – Abra Auto Body Issue was to be moved up and discussed after Item 12.2.

7:30 P.M. - PUBLIC HEARINGS AND ITEMS SET FOR A CERTAIN TIME

9.1 Public Hearing – Crown Iron Works Economic Development TIF Plan, Development Program and Business Subsidy.

Economic Development Coordinator Thorvig stated Minnesota State Statute 469.357 Subd. 3 requires that before any tax increment financing plan is approved by a municipality, a public hearing must be held. Staff referred to the Resolution for background on the Crown Iron Works Economic Development TIF District and requested the Council hold a public hearing and take testimony.

Mayor Ryan opened the public hearing at 7:45 p.m.

There being no additional public input, Mayor Ryan closed the public hearing at 7:45 p.m.

Item 12.1 was heard at this point in the agenda.

ADMINISTRATION

12.1 Resolution 18-140, Resolution Approving an Amendment to the Blaine Economic Development Project Plan, Establishing an Economic Development Tax Increment Financing District and Approving Tax Increment Financing Plan Therefor (Crown Iron Works Project).

Moved by Councilmember Hovland, seconded by Councilmember Jeppson, that Resolution 18-140, “Approving an Amendment to the Blaine Economic Development Project Plan, Establishing an Economic Development Tax Increment Financing District and Approving Tax Increment Financing Plan Therefor (Crown Iron Works Project),” be approved.

Mr. Thorvig stated for almost two years staff has been working with a company called Crown Iron Works (Crown) about relocating their global headquarters to Blaine. Crown is currently located in Roseville with additional offices in six other countries worldwide. Crown is a global supplier of oilseed extraction technology, refining plants and processing equipment. They are an industry leader with over 400 large scale Crown designed facilities operating world-wide. The proposed building in Blaine would house their global office headquarters with executive level and administrative staff and design engineers, along with research, development and testing areas for the design of large scale oilseed extraction technology. Crown currently provides 102 jobs. The projected number at the new location is approximately 125 jobs. Staff reviewed the types of jobs along with the corresponding salaries.

Mr. Thorvig commented Crown identified the site at 9859 Naples St. as their preferred location. The property is owned by Mortenson Construction, who used the property as a contractor's yard up until a few years ago. Mortenson is proposing to construct a 70,000-sf. office/research and development building and 5,000 sf. extraction building for Crown. Crown would lease the building from Mortenson. At the June 21st City Council meeting the project received all necessary approvals for the project.

Motion adopted unanimously.

7:30 P.M. - PUBLIC HEARINGS AND ITEMS SET FOR A CERTAIN TIME

9.2 Resolution 18-132, Order Improvements and Order Preparation of and Approve Plans and Specifications, and Order Advertisement for Bids for Construction of Dunkirk Street from Approximately 160 Feet North of 91st Avenue to 270 Feet North of 91st Avenue, Improvement Project No. 16-15.

City Engineer Keely stated the proposed project will include construction of approximately 110 feet of Dunkirk Street north of 91st Avenue where there is a gap with no street in the right of way and reconstruction of a portion of the existing storm sewer. Proposed improvements include installation of concrete curb and gutter, storm sewer improvements, aggregate base, asphalt surface, traffic control signage and appurtenant construction. The estimated total cost of improvements is \$131,250 with \$56,250 proposed to be assessed over a ten-year period. Replacement of existing storm sewer at an estimated cost of \$75,000 is proposed to be paid for by the Stormwater Utility Fund. Plans and specifications have been prepared as directed and are available for Council review in the Engineering Department. The project is necessary, cost-effective, and feasible and will result in a benefit to the properties proposed to be assessed.

Mayor Ryan opened the public hearing at 7:47 p.m.

Mike Burnham, 9158 Dunkirk Street, thanked staff for proposing the project. He asked about the project timeline and questioned which parcels would be assessed. Ms. Keely discussed the project timeline and clarified which parcels would be assessed through this project. It was noted this project would begin construction in September 2018.

Mr. Burnham thanked the Council and City staff for moving this project forward. He explained this would be a considerable improvement for his neighborhood.

There being no additional public input, Mayor Ryan closed the public hearing at 7:52 p.m.

Moved by Councilmember King, seconded by Councilmember Hovland, that Resolution 18-132, "Order Improvements and Order Preparation of and Approve Plans and Specifications, and Order Advertisement for Bids for Construction of Dunkirk Street from Approximately 160 Feet North of 91st Avenue to 270 Feet North of 91st Avenue," be approved.

Motion adopted unanimously.

Item 12.2 was heard at this point in the agenda.

ADMINISTRATION

12.2 Resolution 18-141, Awarding the Sale of \$30,105,000 General Obligation Water Revenue Bonds, Series 2018B; Fixing Their Form and Specifications; Directing Their Execution and Delivery; Providing for Their Payment; and Providing for the Redemption of Bonds Refunded Thereby.

Moved by Councilmember Hovland, seconded by Councilmember Garvais, that Resolution 18-141, "Awarding the Sale of \$30,105,000 General Obligation Water Revenue Bonds, Series 2018B; Fixing Their Form and Specifications; Directing Their Execution and Delivery; Providing for Their Payment; and Providing for the Redemption of Bonds Refunded Thereby," be approved.

Finance Director Huss stated on June 21, 2018, Council approved Springsted, Inc. (the City's Financial Advisor) recommendation to accept bids for the sale of \$30,105,000 general obligation water revenue bonds. The proceeds of the bonds will be used to finance the construction of a water treatment plant as well as to fund water utility technology upgrades including automated meter reading radio replacement and SCADA system improvements. Bids were due at 10:00 a.m. this morning. He reported the City received 12 bids for these bonds and was pleased to report the low bidder came in with an interest rate of 3.12%.

Terri Heaton, Springsted, discussed the bond transaction in further detail with the Council. She explained the market was very receptive to the size of this bond sale and commended the City for their AA+ bond rating.

Mayor Ryan reported the City would be using these funds for a new water treatment plant and would also be purchasing a new SCADA system.

Motion adopted unanimously.

OTHER BUSINESS

Moved by Councilmember Hovland, seconded by Councilmember King, to repeal the Council's previous action related to Granting a Conditional Use Permit to Allow for an 18,026 Square Foot Abra Auto Body Business in a B-2 (Community Commercial) Zoning District at 8620 Central Avenue NE, Abra Auto Body Repair, CF 18-0038 as stated in resolution number 18-122.

Motion adopted unanimously.

Scott Uram, 8634 Central Avenue, thanked the City Council and staff for their work on this project.

Moved by Mayor Ryan, seconded by Councilmember Clark, to adopt Resolution 18-122, "Granting a Conditional Use Permit to Allow for an 18,026 Square Foot Abra Auto Body Business in a B-2 (Community Commercial) Zoning District at 8620 Central Avenue NE, Abra Auto Body Repair, CF 18-0038" be approved.

Planning and Community Development Director Schafer commented on the conditions for approval, specifically addressing drop off of vehicles during evening hours and discussed the landscaping plan.

Motion adopted unanimously.

APPROVAL OF CONSENT AGENDA:

Moved by Councilmember Garvais, seconded by Councilmember Jeppson, that the following be approved:

10.1 Motion 18-97, Schedule of Bills Paid.

10.2 Motion 18-98, Authorize Temporary Removal of Parking Restrictions on 103rd Lane and National Street for a Centennial Elementary School Event on October 3, 2018 (Rain Date: October 4, 2018)

10.3 Resolution 18-133, Receive Petition and Order Public Hearing for Vacation of Drainage and Utility Easement of the Northern 5.00 Feet of the Southern 10.00 Feet of Lot 19, Block 4, and the Western 5.00 Feet of the Eastern 10.00 Feet of Rice Creek Park Addition, Vacation No. V18-06.

10.4 Resolution 18-134, Releasing Lot 9, Block 1, North Central Commons Development Agreement (Case File No. 18-0050/BKS)

Motion adopted unanimously.

DEVELOPMENT BUSINESS

11.1 Resolution No. 18-135, Granting Final Plat Approval to Plat 37 Acres as One (1) Lot to be known as Anoka Hennepin Third Addition, located at 12576 Lever Street NE. Anderson-Johnson Associates, Anoka-Hennepin School District 11. (Case File No. 17-0052/LSJ).

Moved by Councilmember King, seconded by Councilmember Clark, that Resolution No. 18-135, “Granting Final Plat Approval to Plat 37 Acres as One (1) Lot to be known as Anoka Hennepin Third Addition, located at 12576 Lever Street NE,” be approved.

Mr. Schafer stated in February 2018, the City Council approved a conditional use permit that allows for the construction of a new elementary school for the Anoka Hennepin School District on the northwest corner of Lever Street and 125th Avenue. The proposed school will serve Pre-K through 5th grade students and it will be approximately 136,000 square feet. As part of the resolution of approval for the conditional use permit (Res. 18-24), a plat was required to establish easements over wetlands, storm water areas, streets, trails and right-of-access for the project. This application includes a final plat for 1 (one) lot on the 38-acre parcel. All easements have been incorporated on this plat. The final plat is consistent with the approved preliminary plat, Resolution No. 18-111.

Motion adopted unanimously.

11.2 Resolution No. 18-136, Granting Final Plat Approval to Allow to Subdivide 10.07 Acres into 16 Single Family Lots and Two (2) Outlots to be known as Cottagewood Cove, located at 3500 131st Avenue NE. Cottagewood Cove, LLC (Case File NO. 18-0018/NBL).

Moved by Councilmember Clark, seconded by Councilmember Swanson, that Resolution No. 18-136, “Granting Final Plat Approval to Allow to Subdivide 10.07 Acres into 16 Single Family Lots and Two (2) Outlots to be known as Cottagewood Cove, located at 3500 131st Avenue NE,” be approved.

Mr. Schafer stated the final plat being presented is for Cottagewood Cove and consists of subdividing approximately 10.07 acres into 16 new dwelling units. The application proposes single-family homes. The plat consists of 16 lots and two outlots. The outlots will be used for storm water ponding and wetlands.

Motion adopted unanimously.

11.3 Resolution No. 18-81, Granting a Comprehensive Land Use Plan Amendment from MDR (Medium Density Residential) to HDR (High Density Residential) located at 117th Avenue/Ulysses Street NE. Tyr Development, LLC. (Case File No. 18-0006/LSJ).

Moved by Councilmember Garvais, seconded by Councilmember King, that Resolution No. 18-81, “Granting a Comprehensive Land Use Plan Amendment from MDR (Medium Density Residential) to HDR (High Density Residential) located at 117th Avenue/Ulysses Street NE,” be approved.

Mr. Schafer stated the proposed comprehensive plan amendment would change the land use of the 6.5 acres from MDR (Medium Density Residential) to HDR (High Density Residential). This land use amendment was discussed with the City Council in the Fall of 2017 and they indicated their support for such amendment. It has also been written into the “DRAFT” 2040 Plan. The land use change falls in line with the apartment use and the site is a good location for higher density development given the proximity to commercial property, pedestrian systems and the park and ride just to the north. The site also has good access

to major intersections and road systems. This will, if approved, be processed as a 2030 Comprehensive Plan Amendment and sent as an individual amendment to the Metropolitan Council prior to formal submission of the overall 2040 Comprehensive Plan.

Councilmember King asked if the southern lot was still tied to this project. Mr. Schafer stated the southern property was no longer tied to this project.

Todd Westphal, neighbor to the project since 2001, explained he objected to the proposed development. He indicated the neighbors still feared what would develop on the southern property.

Denise Moreland, 11417 Pierce Street NE, stated she opposed the project as well. She respectfully requested the Council deny the request due to the proposed high density.

Dick Haluptzok, 11773 Van Buren Street, stated he has lived in his home for the past 30 years. He explained he was an architect and construction manager. He indicated he reviewed the design of the proposed project and noted he offered his full support. He discussed the buffering that would surround the proposed project and commended the developer for proposing to use high quality building materials and landscaping.

Sonam Dhondup, 1060 117th Avenue, explained he lives within 300 feet of the proposed development. He questioned who would benefit by the proposed project and feared that the answer was only the developer. He commented further on the history of this project and did not believe the small reduction in units (12 total) was enough. He questioned what assurance the residents had to ensure townhouses would be built on the southern lot. He encouraged the Council to not support this request and to not change the zoning for this property.

Nancy Haluptzok, 11773 Van Buren Street, stated she lived one-half a mile west of the project. She indicated she offered her full support to the proposed apartment complex. She noted there were many developments built in the City around water and did not believe this project would create a safety hazard for neighborhood children. She requested further information on the traffic study that was completed recently for 117th Avenue and Ulysses Street. Mayor Ryan commented on the traffic study and reported 117th Avenue was currently at 50% of its capacity.

Janice Bergstrom, 11691 Polk Street, explained she provided the City Council with a package of information regarding her concerns. She encouraged the City Council to consider the health issues and emissions that were being created along Highway 65 and how this was negatively impacting the health of Blaine residents. She commented on the differences in the way the east side and the west side of Highway 65 have developed. She indicated she would be speaking with the American Lung Association regarding her emission concerns. She discussed how two adjacent homeowners would be adversely impacted by the proposed project and stated she was extremely frustrated with the fact the Council was going to be moving this project forward.

Councilmember Clark commented on the information packet Ms. Bergstrom had forwarded to the City Council. He requested comment from the City Attorney on this material. City Attorney Sweeney stated he spoke with Ms. Bergstrom on July 11th where he encouraged her to attend the Council meeting to address her concerns. He advised he has no opinion on the material presented. He explained the City Council could make their own minds up on the policy decision.

Councilmember Garvais asked if the developer had been approached to purchase the two homes on the southern lot. Peter Stalland, developer, stated he had not been approached regarding this matter.

Councilmember Garvais commented apartments are being built on both the east side and west side of Blaine. He discussed the City's goals per the Metropolitan Council to provide a broad range of housing. He explained there was a housing shortage in the metro area, which included single family homes and apartments. He reported the traffic concerns along Highway 65 are a State issue. He noted the City Council and other local representatives were working to address this concern. He stated he would like to see the developer speak with the two remaining homeowners to see if they would be interested in selling their property.

Councilmember Hovland indicated the developer was proposing to construct a high-quality apartment complex. He stated he had no issue with this. He commented his only concern with the project was the height of the building. He explained he opposed this project when it was first considered by the Council, and recommended the zoning remain Medium Density Residential (MDR). In addition, he noted he supported the developer purchasing the two remaining residential lots in order to make these property owners whole.

Councilmember Swanson commented on the need the community had for apartment units. He explained the proposed apartment complex was very well done and would provide the City with a new housing option.

Councilmember King indicated he would like to see this development located somewhere else. However, this was a private transaction that had a willing buyer and seller. He stated the zoning for the property would change as part of the 2040 Comprehensive Plan, which meant even if the Council were not changing the zoning this evening, it would happen at some point in the future.

Councilmember Garvais stated he would be supporting the proposed rezoning because this was the recommendation of the professionals that worked on the Comprehensive Plan.

Mayor Ryan commented he would be supporting this request and noted all other apartment buildings in the City were also adjacent to residential neighborhoods.

Councilmember Clark explained he would be supporting this request. He stated it was common practice to place apartment buildings as a buffer between commercial and residential properties. He was of the opinion the high-quality construction of this building would lead to high quality tenants.

Councilmember Jeppson commented on the traffic surrounding this project and stated this was not as much of a concern for her given the fact these roadways were only at 50% of their capacity at this time. She explained she would be supporting the proposed rezoning along with the proposed high-quality apartment complex.

Mayor Ryan asked the Clerk to complete a roll call vote.

Councilmember Clark – aye
Councilmember Garvais – aye
Councilmember Hovland – nay
Councilmember Jeppson – aye
Councilmember King – nay
Councilmember Swanson – aye
Mayor Ryan – aye

Motion adopted 5-2 (Councilmembers King and Hovland opposed).

Councilmember Garvais requested the Council further discuss the sale of the two adjacent residential lots at a future worksession meeting.

11.4 First Reading – Ordinance No. 18-2406, Rezoning Property from FR (Farm Residential) to DF (Development Flex) at 117th Avenue/Ulysses Street NE. Tyr Development, LLC (Case File NO. 18-0006/LSJ).

Mr. Schafer stated the zoning of the north parcel (6.5 acres) is currently FR (Farm Residential). In order to facilitate the development of the apartment buildings and to have flexibility in requirements for landscaping, materials used on the building and other items, the DF (Development Flex) zoning district is proposed for this development. The DF zoning has been used in the majority of residential development over the past several years within the City of Blaine, as it provides the City with the greatest flexibility and control over the aesthetic and livability elements within the development.

Declared by Mayor Ryan that Ordinance No. 18-2406, “Rezoning Property from FR (Farm Residential) to DF (Development Flex) at 117th Avenue/Ulysses Street NE,” be introduced and placed on file for second reading at the July 19, 2018 Council meeting.

11.5 Resolution No. 18-138, Granting Preliminary Plat Approval to Subdivide 12.86 Acres into Two (2) Lots to be known as Cedar Point Apartments, located at 117th Avenue/Ulysses Street NE. Tyr Development, LLC. (Case File No. 18-0006/LSJ).

Moved by Mayor Ryan, seconded by Councilmember Garvais, that Resolution No. 18-138, “Granting Preliminary Plat Approval to Subdivide 12.86 Acres into Two (2) Lots to be known as Cedar Point Apartments, located at 117th Avenue/Ulysses Street NE,” be approved.

Mr. Schafer stated previously, the project area is comprised of 5 existing parcels that will be combined into one 6.5-acre (north) lot and one 5.3-acre (south) lot with a preliminary plat called Cedar Point Apartments. 116th Court (off of Ulysses Street) will provide an access road to the 138 unit building on Lot 1 as will Pierce Court NE (off of 117th Avenue). Lot 2, which will likely be proposed for some form of townhome development at some point in the future, will be directly accessed from Ulysses Street. Park dedication for Lot 2 will be calculated and due once a specific project density has been determined. The developer will need to apply for the vacation of the existing 116th Avenue right-of-way and this will need to be recorded in conjunction with the new Cedar Point Apartment plat, which is dedicating new right-of ways for 116th Court NE and Pierce Court NE. There are several structures on the three north lots that need to be removed prior to construction. Demolition permits for these structures must be obtained from the City’s Building Inspection Department prior to removal.

Motion adopted unanimously.

11.6 Resolution No. 18-139, Granting a Conditional Use Permit to Allow for the Construction of One Apartment Building with 138 Units in a DF (Development Flex) Zoning District, located at 117th Avenue/Ulysses Street NE. Tyr Development, LLC. (Case File NO. 18-0006/LSJ).

Moved by Mayor Ryan, seconded by Councilmember Garvais, that Resolution No. 18-139, “Granting a Conditional Use Permit to Allow for the Construction of One Apartment Building with 138 Units in a DF (Development Flex) Zoning District, located at 117th Avenue/Ulysses Street NE,” be approved.

Mr. Schafer stated the project consists of a 138 market-rate apartment on 6.5 acres. The unit mix was described for the Council. It was noted the rents for these units will range from \$1,000 to \$2,000 depending on the size and location of the units. All units will have covered decks, solid/surface and stone countertops, stainless steel kitchen appliances, full sized washer/dryers in the units, tile/wood flooring and carpet. All ceilings will be 9 feet in height with extensive wood trim moldings. A common area for residents surrounds the front entrance to the building. This area will include a large patio and exterior recreation area. Other common area amenities within the building includes a main floor common area, secure mail and package units, fitness area and an upper floor event room with panoramic view.

Motion adopted 6-1 (Councilmember Hovland opposed).

ADMINISTRATION

Items 12.1 and 12.2 were heard earlier in the agenda.

12.3 Resolution 18-142, Approve and Authorize Chiller Rental from Trane Rental Services for City Hall.

Moved by Councilmember Clark, seconded by Councilmember Jeppson, that Resolution 18-142, "Approve and Authorize Chiller Rental from Trane Rental Services for City Hall," be approved.

Public Services Manager/Assistant City Manager Therres stated on Thursday, June 28th, the main compressor in our chiller unit (air conditioning) at City Hall failed. It was then determined it could not be repaired. This left the City Hall with less than 50% of our chiller capacity. Staff is in the process of getting quotes for a new chiller unit and will be presenting that to Council. While the process is being expedited, staff anticipates the process could take up to three months for a new chiller unit to be ordered, delivered and installed. In the meantime, the City was able to rent a chiller unit that can provide 100% of the air handling needed for City Hall. The cost of this up to three-month rental and installation to our building is \$51,253.22. As this repair was not anticipated and thus not budgeted, staff is requesting Council approval to amend the budget and allow the use of General Fund contingency to fund the rental expense. If the chiller is needed less than three months the price is adjusted to the monthly cost.

Councilmember Garvais commented on the amount of money the City would be spending to rent equipment and asked why it would take until the end of September to get the chiller replaced. Mr. Therres discussed how the current equipment had failed and noted the temperature at City Hall reached 78 degrees. He reported the City had one chiller and three compressors and noted the chiller was the piece of equipment that had failed. He noted a chiller was included in the 2018 budget and would be replaced this fall.

Mayor Ryan asked if the \$51,000 expense was per month. Mr. Therres reported this expense was for three months rental and not a one-month rental.

Councilmember Garvais stated he was frustrated the City set aside \$250,000 aside for the replacement of the chiller and additional monies were going to have to be spent to rent a chiller because it would not be replaced until fall.

Motion adopted unanimously.

OTHER BUSINESS

Mr. Therres provided the Council with information on a chiller through a joint purchasing authority. He noted two bids were requested, the first simply to replace the chiller, and the other called for a more efficient unit. He explained Johnson Controls and Trane submitted bids to the City. He reported Trane submitted the low bid which came in at \$245,319. He requested guidance from the Council on how to proceed.

Councilmember Clark asked if there was a benefit to purchasing the higher efficiency unit. Mr. Therres stated the City would see a \$7,000-\$9,000 cost savings each year by purchasing the more efficient unit. He reported over 20 years this would be a considerable cost savings to the City. For this reason, he recommended the City Council consider purchasing the more energy efficient chiller and allow him to spend up to \$300,000.

Councilmember Garvais questioned what the cost would be to integrate the new chiller system. Mr. Therres explained the cost to integrate the new system would be \$5,300.

Councilmember Clark inquired what the life of the chiller was. Mr. Therres stated the life of the chiller was 20 years.

Councilmember Clark commented he supported staff pursuing the more efficient unit.

Councilmember King questioned if the City would receive any rebates on the unit. Mr. Therres anticipated the City would receive rebate dollars for the purchase but was uncertain as to the amount.

Councilmember King indicated he would not support the City going the high efficiency route. He supported the quick ship Trane unit as this would save the City chiller rental dollars up front. Mr. Huss provided the Council with a financial analysis on the chiller units and noted the City would save approximately \$40,000 if the high efficiency unit was purchased.

Councilmember King asked how critical it was for the Council to make a decision at this time versus next week when more information would become available.

Mayor Ryan recommended the City have the valves replaced when the new chiller is installed.

Moved by Councilmember Clark, seconded by Mayor Ryan, to authorize staff to proceed with the purchase of a Trane high efficiency chiller for City Hall for a cost not to exceed \$300,000 plus installation costs.

Motion adopted unanimously.

Mayor Ryan thanked Ms. Keely for her 30 years of service to the City of Blaine and wished her well in her retirement.

ADJOURNMENT

Moved by Councilmember Garvais, seconded by Councilmember King, to adjourn the meeting at 9:35 p.m.

ATTEST:

Tom Ryan, Mayor

Catherine Sorensen, CMC, City Clerk
Submitted by TimeSaver Off Site Secretarial, Inc.