

MINUTES
OF THE REGULAR MEETING OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
JUNE 21, 2005
7:00 P.M.

ROLLCALL Answering rollcall were Members Housh, Hulbert, Masica, Swenson and Mayor Hovland.

CONSENT AGENDA ITEMS APPROVED Motion made by Member Swenson and seconded by Member Housh approving the Council Consent Agenda as presented with the exception of Agenda Item IV.E., Re-siding and Painting Grange Hall Building - Tupa Park, and Agenda Item V.C., Use of Developers Fund for Arneson Acres Park Water Service.

Rollcall:

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

*MINUTES OF THE REGULAR MEETING OF JUNE 7, 2005, APPROVED Motion made by Member Swenson and seconded by Member Housh, approving the Minutes of the Regular Meeting of the Edina City Council for June 7, 2005.

Motion carried on rollcall vote - five ayes.

JULY 2005 PROCLAIMED AS RECREATION AND PARKS MONTH Mayor Hovland proclaimed the month of July as Recreation and Parks Month in Edina and encouraged residents to join in recognizing the importance of our nation's parks and recreation facilities and to support places that bring a higher quality of life, safer places to play and healthy alternatives through recreation programming.

Member Housh made a motion approving the month of July 2005 being proclaimed as Recreation and Parks Month in Edina. Member Hulbert seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

*RESOLUTION NO. 2005 - 49 APPROVED - 5516 - 5520 FRANCE AVENUE SOUTH (BRAD COLEHOUR) Motion made by Member Swenson and seconded by Member Housh introducing the following resolution and moving its adoption:

RESOLUTION NO. 2005-49

APPROVING A LOT DIVISION FOR
5516 - 5520 FRANCE AVENUE SOUTH

WHEREAS, the following described properties are at present one tract of land:

Lot 3, Block 1, BEARDS ELMWOOD TERRACE, HENNEPIN COUNTY,
MINNESOTA

WHEREAS, the owner has requested the subdivision of said tract into separate parcels (herein called "parcels") described as follows:

PARCEL A: That part of Lot 3, Block 1, BEARDS ELMWOOD TERRACE, Hennepin County, Minnesota, lying North of the following described line:

Commencing at the Northeast corner of said Lot 3; thence South 0 degrees 04 minutes 00 seconds West along the East line of said Lot 3 a distance of 42.26 feet to the point of beginning of the line to be described; thence North 89 degrees 42 minutes 13 seconds West

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63.06 feet; thence South 0 degrees 00 minutes 00 seconds West 0.54 feet; thence North 89 degrees 42 minutes 13 seconds West 54.12 feet; thence North 0 degrees 15 minutes 55 seconds East 6.05 feet; thence North 89 degrees 42 minutes 13 seconds West 24.32 feet to the West line of said Lot 3 and there terminating.

PARCEL B: That part of Lot 3, Block 1, BEARDS ELMWOOD TERRACE, Hennepin County, Minnesota, lying South of the following described line:

Commencing at the Northeast corner of said Lot 3; thence South 0 degrees 04 minutes 00 seconds West along the East line of said Lot 3 a distance of 42.26 feet to the point of beginning of the line to be described; thence North 89 degrees 42 minutes 13 seconds West 63.06 feet; thence South 0 degrees 00 minutes 00 seconds West 0.54 feet; thence North 89 degrees 42 minutes 13 seconds West 54.12 feet; thence North 0 degrees 15 minutes 55 seconds East 6.05 feet; thence North 89 degrees 42 minutes 13 seconds West 24.32 feet to the West line of said Lot 3 and there terminating.

WHEREAS, the requested subdivision is authorized under Code Section 810 and it has been determined that compliance with the Subdivision and Zoning Regulations of the City of Edina will create an unnecessary hardship and said newly created Parcels as separate tracts of land do not interfere with the Subdivision and Zoning Regulations as contained in the Edina City Code Sections 810 and 850;

NOW, THEREFORE, it is hereby resolved by the City Council of the City of Edina that the conveyance and ownership of the above described tracts of land (PARCEL A and PARCEL B) as separate tracts of land are hereby approved and the requirements and provisions of Code Sections 850 and 810 are hereby waived to allow said division and conveyance thereof as separate tracts of land but only to the extent permitted under Code Sections 810 and 850 subject to the limitations set out in Code Section 850 and said Ordinances are now waived for any other purpose or as to any other provisions thereof, and further subject, however, to the provision that no further subdivision be made of said Parcels unless made in compliance with the pertinent Ordinances of the City of Edina.

Adopted this 21st day of June 2005.

Motion carried on rollcall vote - five ayes.

ORDINANCE NO. 2005-5 APPROVED AMENDING SECTION 900 TO ALLOW THE ISSUANCE OF ON-SALE INTOXICATING LIQUOR LICENSES TO RESTAURANTS WITH 200 OR FEWER SEATS IN THE PCD-2 SUBDISTRICT

Manager Hughes noted the Council had at their June 7, 2005, meeting held a public hearing to consider whether to amend City Code Section 900 increasing the maximum number of seats allowed for a restaurant with an on-sale intoxicating liquor license in the PCD-2 Zoning District. Mr. Hughes said all PCD-2 Districts would be amended, not just the 50th & France Business District. He noted that Attorney Gilligan had reviewed Minnesota Statutes as requested by Council at the June 7th meeting and determined that the City had the authority to limit the total number of liquor licenses in each separate PCD-2 zoning district and to limit the number of licenses issued to restaurants in a separate PCD-2 zoning district which were larger than a certain size. Mr. Hughes reported that the standards or criteria imposed by the City for issuance of a liquor license must be of an objective nature and the City may not impose subjective standards or criteria to the issuance of liquor licenses.

Mayor Hovland noted the Council had closed the public hearing at their June 7th meeting, however, they also asked the requestors of the ordinance amendment meet with the 50th and France Business Association, so he suggested the Council re-open the public hearing to allow the interested parties to report the results of their meeting.

Member Masica made a motion to re-open the public hearing on Ordinance No. 2005-5. Member Swenson seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Public Comment

Grethe Langeland Dillon, stated she was the president of the 50th & France Business Association, the owner of the Calhoun Insurance Agency and a resident of the County Club area. Ms. Dillon said that the Board of the 50th & France Business Association voted to welcome the addition of the Parasole Restaurant to the area. She reported the vote was close and that several members had reservations about the parking issue. Ms. Dillon said the Association was glad for the opportunity to meet with Parasole and discuss their proposed restaurant. Ms. Dillon stated that the 50th & France Association was a small community made up of many small business owners. She said their concern was not only over parking for patrons of the restaurant, but also employees parking in the ramps. Current employers in the area have a majority of their staff take public transportation and some restrict the location employees may park. Ms. Dillon said the Association has struggled for a long time with management and regulation of parking. Member Masica asked if the employees were to park off-site would the concerns of the Association be lessened. Ms. Dillon replied that would be very helpful.

Greg Gadle, President of Parasole Restaurant Holdings, stated that it should be remembered that if parking was not adequate, then Parasole would not be successful in the venture. Mr. Gadle added that if the proposed Odeon restaurant were asking for a wine and beer license, the size of the restaurant would not be an issue. He said that the issue before the Council was not parking, but was whether to amend the ordinance to allow a larger restaurant in a PCD-2 District to have an on-sale intoxicating liquor license. Mr. Gadle added that many of his employees would be users of mass transit and they would consider making arrangements for employee parking off site if necessary to ensure their restaurant's success.

Member Housh asked for clarification whether the lunchtime volumes and average check referred to by Parasole in their presentation was the industry average and if it was similar to the other Parasole restaurants. He also asked if Parasole had a lease agreement with Mr. Curtin. Mr. Gadle replied that the industry average for lunch business was between 20 and 23 percent of total business and that they anticipated the average lunch check to be ten dollars. Mr. Gadle said they were very close, but that not everything had been finalized. He stated they hope for a November opening of the restaurant.

Mayor Hovland asked if Parasole had conducted any parking surveys and commented the ten dollar lunch average seemed a bit light. Mr. Gadle said they were using the parking survey numbers reported by City staff and reminded that the ten dollar lunch check was an average.

Member Swenson asked how many employees would be expected to be on-site during lunch time. Mr. Gadle said between ten and twenty employees would be on-site.

Wayne Kostroski, 4815 Maple Road, 3910 West 50th Street, stated he was the owner of Tejas Restaurant. Mr. Kostroski said he felt that Parasole was a quality restaurant operator and would be a welcome addition to the 50th & France Business area. However, he stated he was not in favor of allowing them to be the driving force behind amending the City's liquor regulations. Mr. Kostroski said his concern was based both as a business person and resident. He asked what was the compelling reason to change the ordinance at this time. The 50th & France area was already going to be undergoing a large change with the Haugland Development whose effect on parking was currently not known. Mr. Kostroski suggested waiting until further study was done and urged the

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Council to take more time to consider the requested change. In addition, he stated he felt that the figures presented to the Council were not accurate and no decision should be made until accurate information could be looked at in detail. He said that lunch in Edina was more spread out than previously stated, expressed concern about employee parking for the new restaurant; questioned Mr. Curtin's statements about adequate parking on the corner; and requested the Council postpone making a decision to gather more information.

David Burley, 5349 Whiting Avenue, presented a table of data that he gathered from the Twin Cities Organic Restaurants Association. Mr. Burley stated that at his Edina restaurant lunch began at 11:00 a.m. and went until 3:00 p.m. He said that there was not always convenient parking available and patrons complain about parking.

Carol Britton, owner of SkinKlinik, 3916 West 50th Street, 3960 Saxony, stated that as a Board member of the 50th & France Association she wanted to embrace the new restaurant because she believed it would bring new vitality and energy to the area. She said she felt that people would come just because it was busy and they would want to also go to the "busy" restaurant.

Member Masica asked if Parasole has any plan under consideration for off-site parking. Mr. Gadle answered that they were willing to look at potential solutions, but asked that they be allowed to open and then see if a problem occurred. He reiterated that parking had to work for the restaurant in order for them to be successful.

Member Swenson made a motion to close the public hearing seconded by Member Housh.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Council Discussion/Action

Member Housh asked what other were the potential uses for which the site could be used. Member Housh speculated that potentially other uses could put greater stress on parking and traffic than a 200-seat restaurant. Mr. Hughes replied that any retail, office, or medical use would be allowed. The space could also be a restaurant with a wine and beer license. He said about the only prohibited uses would be a very large department store or a car dealership. Mr. Hughes reiterated that parking was typically a day time issue and that after 5:00 p.m. ample parking existed.

Member Swenson asked if it would be possible to look at restaurants on a case by case basis and change the zoning if appropriate. Attorney Lindgren replied that the Council can limit the number of licenses issued in a PCD-2 District, but he said they could not change the ordinance for one site at a time. The code would need to be amended for entire zoning districts and a limit on the number of licenses set if desired.

Member Masica stated her support for the amendment. She said she appreciated the concern regarding parking availability, but felt the new restaurant would help keep the area energized and vital. Member Masica said she believed the market should be left to drive how many restaurants settle in the area and the Council should not enact any limits at this time.

Member Housh stated he appreciated the discussion, and added the evolution of changes in Edina's stance on service of liquor should be reviewed. The Council has always looked at and decided whether or not a particular change would be good for the City as a whole. He said he agreed the proposed restaurant would add vitality to the area.

Member Hulbert stated the Council should remember that the issue was not one particular restaurant, but rather an amendment to City Code. She recommended limiting the number of large restaurants with on-sale liquor licenses in the PCD-2 District until the 50th & France Area Development Plan can be reviewed and put into place.

Member Swenson said that two weeks ago she also felt that the market should drive the number of restaurants in the area, but she had come to agree with Member Hulbert and could see limiting the number of restaurants in a PCD-2 District.

Mayor Hovland thanked all involved in the discussion acknowledging that a balance was needed to keep the area vital, but not overwhelmed. He agreed this was somewhat intangible because of the unknown impact of the new Haugland development. Mayor Hovland said that while he could see both sides of the issue, he felt that he also did not want to create a monopoly by allowing only one restaurant in the area. He also said he felt the market should drive which restaurants were operating in an area.

Member Swenson stated she was persuaded to allow the market to drive what restaurants operate in the area and would support the amendment.

Member Housh made a motion approving the following ordinance:

EDINA ORDINANCE NO. 2005-5

AN ORDINANCE AMENDING SECTION 900

TO ALLOW THE ISSUANCE OF ON-SALE INTOXICATING LIQUOR LICENSES TO RESTAURANTS WITH 200 OR FEWER SEATS IN THE PCD-2 SUBDISTRICT

THE CITY COUNCIL OF THE CITY OF EDINA ORDAINS:

Section 1. Subd. 5 of Subsection 900.09 are amended to read as follows:

Subd. 5 On-Sale Intoxicating Liquor Licenses. In addition to the requirements of Subd. 1 of this Subsection, no On-Sale Intoxicating Liquor License shall be granted to i) any establishment other than a restaurant or hotel located in the PCD-2, PCD-3, POD-2 Subdistricts or the Mixed Development District as established by Section 850 of this Code ii) any amusement or recreation establishment including amusement arcades, bowling centers, pool halls or establishments offering amusement devices as defined by Section 215 of this Code. In addition, no On-Sale Intoxicating Liquor License shall be granted to any establishment located in the PCD-2 Subdistrict which will contain more than 200 seats; provided, however, a premises in the PCD-2 Subdistrict holding a wine license issued by the City which was in effect on December 31, 1998, and which contains more that 200 seats may be issued an On-Sale Intoxicating Liquor License but the licensed premises shall not be thereafter expanded to include more seats than existed on December 31, 1998. For purposes of the preceding sentence, outdoor, seasonal dining areas shall not be included in the seat count provided that such outdoor seating comprises 20 percent or less of the total seating capacity of the licensed premises.

Section 2. This Ordinance shall be in full force and effect upon passage.

First Reading: June 7, 2005
Second Reading: June 21, 2005
Published: June 30, 2005

Attest

Debra A. Mangen, City Clerk

James B. Hovland, Mayor

Member Masica seconded the motion.

Rollcall:

Ayes: Housh, Masica, Swenson, Hovland

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Nay: Hulbert
Motion carried.

ORDINANCE NO. 2005-6 APPROVED AMENDING SECTION 445 ALLOWING ADMINISTRATIVE DECISION ON WAIVER OF WATER SERVICE IN MULTIPLE DWELLING UNITS WITH WAIVER OF SECOND READING

Mr. Hughes said the Council at their June 7, 2005 meeting heard an appeal from a resident who had been denied a waiver by the Construction Board of Appeals from the requirement of Edina's Code for separate sewer and water connections for double dwelling unit buildings or townhouses. The Council granted a waiver from the Code regulation for that resident. Mr. Hughes said the staff had in response to the Council researched the current Code Section 445.04 to ascertain the reason for its adoption. Mr. Hughes reported the current language had been adopted in October 1976. He stated the Council minutes showed no discussion and added staff speculated the code was adopted to allow the City the ability to shut off water service for non-payment. Mr. Hughes said current practice of the City was to assess past due water bills in lieu of discontinuing water service.

Mr. Hughes stated staff felt the waiver requirements should remain, but be modified to permit staff to grant the waivers under certain conditions. He said the revised language would allow the building official to grant a waiver if it could be demonstrated that the sewer and water connections were in compliance with building code requirements. The appellant would retain their right to appeal a waiver denial to the Construction Board of Appeals and the City Council.

Member Masica asked if the change would only apply to double unit dwellings and asked what the typical size OF water service was used on new homes. Building Official Kirchman responded that the amendment would only affect double unit dwellings. He said most new homes have either a one inch or one and one half inch service.

Member Hulbert made a motion to grant first reading and waive second reading of the following ordinance:

**ORDINANCE NO. 2005-6
AN ORDINANCE AMENDING SECTION 450 AND 850
OF THE CODE OF ORDINANCES
REGARDING INDIVIDUAL WATER
CONNECTIONS IN THE
DOUBLE UNIT DWELLING DISTRICT (R-2)
AND THE PLANNED RESIDENCE DISTRICT (PRD)**

THE CITY COUNCIL OF THE CITY OF EDINA, MINNESOTA, ORDAINS:

Section 1. Subsection 445.05 of Section 445 of the Edina City Code is hereby amended to read as follows:

"445.05 Waiver. Notwithstanding anything herein to the contrary, any connection requirement may be waived by the Building Official upon request of the owner of the property for which the waiver is requested and upon a finding being made by the Building Official that the sewer and water connections are in compliance with building code requirements, and that the waiver will not be substantially detrimental to the public welfare or to other lands or improvements in the neighborhood of the property. If the waiver is from the requirements of Subsection 445.01, such waiver shall be granted upon the condition that the owner of such property or properties shall comply with Section 710 of this Code. If the waiver is from the requirements of Subsection 445.02, such waiver shall be granted upon the further condition that the owner or owners of the property

or properties shall execute and deliver to the City a recordable agreement, in form and substance acceptable to the Manager, providing:

- A. That the City shall not be liable to any owners or occupiers of the property or properties for any damage or injury to persons or property resulting from a lack of the required separate and independent connections;
- B. That all owners of the property or properties served by less than the required separate and independent connections shall share equally in any costs incurred as a result of not having the required separate and independent connections and shall pay equally all sewer and water charges made for services to such property or properties;
- C. That the City may determine the charges for water and sewer usage by allocating consumption equally among all properties using the common connection and totaling the separate charges based upon such allocation;
- D. That the City may discontinue water and sewer services to such property or properties pursuant to Section 1100 of this Code even though such discontinuance will affect property in addition to that of the persons causing the delinquency; and
- E. That, if the property or properties are thereafter platted or subdivided or submitted to the Minnesota Uniform Condominium Act, to permit the sale of individual townhouses or individual lots or individual dwelling units, the City may require that, in connection with such platting or subdivision or submittal, each such individual townhouse, lot or dwelling unit shall have sewage disposal lines and water lines connected directly and separately from all other townhouses or lots to the sanitary sewer mains and water mains serving such townhouse, lot or dwelling unit."

Section 2. Subsection 850.12, Subd. 5, paragraph B shall be amended to read as follows:

"A. Sewer and Water Connections. Each dwelling unit must be separately and independently connected to public sanitary sewer and water mains or shall have been granted a waiver thereof in accordance with Section 445 of this Code."

Section 3. Subsection 850.13, Subd 7 paragraph E shall be amended to read as follows:

"E. Sewer and Water Connections for Townhouses. Each townhouse shall be separately and independently connected to public sanitary sewer mains and water mains or shall have been granted a waiver thereof in accordance with Section 445 of this Code."

Section 2. Effective Date. This ordinance shall be in full force and effect after its adoption and publication according to the law.

First Reading:	June 21, 2005
Second Reading:	Waived
Published:	June 30, 2005

Attest

Debra A. Mangen, City Clerk

James B. Hovland, Mayor

Member Housh seconded the motion.

Rollcall:

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

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***BID AWARDED FOR FAIRWAY DRAINAGE SYSTEM - BRAEMAR GOLF COURSE** Motion made by Member Swenson and seconded by Member Housh for award of bid for Braemar Golf Course fairway drainage system to recommended low bidder, Hartman Companies at \$17,751.00.

Motion carried on rollcall vote - five ayes.

***BID AWARDED FOR 2005 FIRE PUMPER (CONTINUED FROM JUNE 7, 2005)** Motion made by Member Swenson and seconded by Member Housh for award of bid for a 2005 fire engine/pumper 1500 GPM to recommended low bidder, Custom Fire Inc. (Freightliner M2 112) at \$263,207.00.

Motion carried on rollcall vote - five ayes.

***BID AWARDED FOR SCHAEFER ROAD, STREET AND UTILITY IMPROVEMENT NOS. A-216, SS-418, STS-205, WM-442, CONTRACT 05-7** Motion made by Member Swenson and seconded by Member Housh for award of bid for Schaefer Road, Road, Street and Utility improvements, Improvement Nos. A-216, SS-418, STS-205, WM-442 Contract 05-7, to recommended low bidder, Midwest Asphalt Corporation at \$264,290.00.

Motion carried on rollcall vote - five ayes.

AWARD OF BID FOR EDINBOROUGH PARK POOL RENOVATION Director Keprios explained the Edinborough Park Pool's filtration and circulation system needed to be renovated. Currently there was no over-flow capacity system (balance/surge tank) in place for displacement of water during heavy use times. The renovation will replace the labor-intensive and worn existing DE filtration system with a new sand filtration system requiring less manpower to maintain on a daily basis. Staff estimated the cost of the project to be approximately \$60,000. The Engineer's estimate was \$91,000.00. Mr. Keprios noted that five vendors paid for specifications for the project; however, only one bid was received from Abhe and Svoboda, Inc., Pool Construction at \$86,937.00.

Member Swenson inquired when the pool was constructed and if the filtration was at the end of its useful life. Mr. Hughes responded it was built in the 1980's. Adam Saboe, Gremmer & Associates, Inc., Consulting Engineers said that twenty years for the existing type of system was at the end of its full life span.

Member Hulbert asked what the life span will be on the new filtration system. Mr. Saboe said twenty years of service should be expected with the new system.

Member Masica asked where in the process was an engineer's expertise sought. Mr. Keprios responded staff typically prepared the budget for inclusion in the Capital Improvement Program and a consultant was hired when the actual specifications and bid were being prepared.

Member Housh asked if only receiving one bid when five specification packets were obtained by was typical. Mr. Saboe said the project had tight time constraints which may be the main reason why only one bid was received.

Member Swenson made a motion approving the award of bid for the Edinborough Park Pool renovation project to recommended sole bidder, Abhe & Svoboda, Inc. & Pool Construction, Inc., at \$86,937.00. Member Masica seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

AWARD OF BID FOR GRANGE HALL BUILDING PAINTING AND RE-SIDING (TUPA PARK)

Member Masica removed the award of bid for Grange Hall building painting and re-siding for additional information. She inquired whether this would be a total re-siding project. Mr. Keprios said that only boards that have rotted on Grange Hall would be replaced with a cedar product.

Motion made by Member Swenson and seconded by Member Housh for award of bid for Grange Hall building painting and re-siding to recommended low bidder, Westurn Roofing and Siding at \$23,414.00.

Ayes: Housh, Hovland, Masica, Swenson, Hovland

AWARD OF BID FOR INSURANCE RENEWALS: WORKERS' COMPENSATION, GENERAL LIABILITY AND PROPERTY

Assistant to the City Manager Smith explained that three insurance coverage's were up for renewal. She introduced Mr. Bill Homeyer, Harris-Homeyer Company, the agent who writes the Workers' Compensation Insurance with League of Minnesota Cities Insurance Trust (LMCIT).

Member Housh inquired whether even higher deductible quotes were possible to obtain. Mr. Homeyer said the deductible amounts began at \$250.00 and escalated incrementally. He added not many insurance companies were interested in insuring municipalities.

Member Swenson asked for an explanation of the experience modifier. Mr. Homeyer said it was a mathematical formula that was applied to the City's cost of claims.

Member Masica asked how long the cities that were queried had policies with the \$10,000 deductible clause. Ms. Smith said the cities she contacted had been insured with the \$10,000 deductible for three to five years.

Member Housh questioned how this deductible would be handled in the City's budget. Mr. Hughes responded the budget for insurance would be estimated and with dependency on the reserve to fill in the gap. Mr. Housh inquired why St. Paul Travelers Insurance, the company that writes the other lines of insurance would not write the Workers' Compensation. Mr. Homeyer said St. Paul Travelers no longer wrote Workers' Compensation policies.

Ms. Smith said the budget has \$385,000 earmarked for the Workers' Compensation insurance which would be approximately \$50,000 over the anticipated deductible premium.

Member Housh made a motion for award of bid for Workers' Compensation Insurance for policy year July 1, 2005 - July 1, 2006, to recommended sole bidder, League of Minnesota Cities Insurance Trust (LMCIT) at \$355,230.00 with a \$10,000.00 deductible. Member Hulbert seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Ms. Smith explained that the quote for the City's General Liability Insurance which covers, Equipment, Liquor Liability, Pollution, Employee Benefit, Law Enforcement Liability, Employee Practices Liability, Public Entity Management Liability, Auto and Terrorism. The total quotation was for \$474,854 and depicts a 2.1% reduction in the total premium.

Member Masica asked why the Liquor Liability portion of the policy increased. Mr. Homeyer explained the premium was based upon volume of business and was not subject to audit. The only portion of the General Liability policy that was audited was the auto.

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Member Housh said while he realized St. Paul Travelers has been a positive carrier of the City's General Liability insurance he questioned what other carriers would be interested in writing this type of policy. Mr. Homeyer said if a similar carrier existed, his agency has solicited quotes from them. The League of Minnesota Cities would be an option but the last time they quoted, rates were very high.

Member Masica made a motion for award of bid for General Liability Insurance for policy year July 1, 2005, to July 1, 2006, to recommended sole bidder, St. Paul Travelers at \$474,854.00. Member Swenson seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Ms. Smith indicated the final insurance renewal was for Property, Boiler & Machinery, Inland Marine and Crime insurance. Three quotations were received with St. Paul Travelers being the low bidder. Ms. Smith introduced Jack Carroll from the AON Risk Services, Inc. of Minnesota to answer concerns.

Mr. Carroll commented that the quotation depicted a 30% decrease from last year's premium. One reason that the premium amount was lower was that the market was on the way down.

Member Masica made a motion for award of bid for Property, Boiler and Machinery, Inland Marine and Crime Insurance for policy year July 1, 2005, to July 1, 2006, to recommended low bidder, St. Paul Travelers, at \$76,736.00. Member Swenson seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

***BID AWARDED FOR PUMP REPLACEMENT FOR 72ND STREET LIFT STATION #6 - IMPROVEMENT NO. LS-34** Motion made by Member Swenson and seconded by Member Housh approving the award of bid for pump replacement for the 72nd Street Lift Station #6, Improvement No. LS-34, to recommended sole bidder, Electric Pump, at \$15,560.72.

Motion carried on rollcall vote - five ayes.

APPEAL OF CONSTRUCTION BOARD OF APPEAL DECISION FOR MARK HORNIG (5313-5315 MALIBU DRIVE) APPROVED Affidavits of Notice were presented, approved and ordered placed on file.

Mr. Hughes noted that the adoption of the previous Ordinance renders the appeal of the Construction Board of Appeal decision for Mark Hornig moot. He suggested the Council grant the appeal subject to the Ordinance adopted previously.

No comments were received from the public.

Member Swenson made a motion closing the public hearing, seconded by Member Housh.

Rollcall:

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Member Swenson made a motion granting the appeal of the Construction Board of Appeal decision for Mark Hornig, subject to Ordinance No. 2005-6, as approved.

Rollcall:

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

***TRAFFIC SAFETY STAFF REVIEW OF JUNE 7, 2005, APPROVED** Motion made by Member Swenson and seconded by Member Housh approving the Traffic Safety Staff Review of June 7, 2005, Section A;

1. Installation of "Disabled Child Area" signs along the 7500 Block of West Shore Drive; and
2. Placement of "No Parking" signs on the north side of Biscayne Boulevard between Newport Drive and Deville Drive; and

Section B. and C.

Motion carried on rollcall vote - five ayes.

USE OF DEVELOPERS FUND FOR ARNESON ACRES PARK WATER SERVICE APPROVED

Member Housh asked that the use of the Developers Fund for Arneson Acres Park water service be removed from the Consent Agenda for more information. He asked about the sidewalk and renovations planned in the area and whether a safety railing was included in the plan. He said there appeared to be quite a hazardous drop-off. Mr. Houle said there would be a safety railing installed that will separate the sidewalk from the street and boulder retaining wall.

Member Housh made a motion approving use of the Developers Fund to provide for new 2" pipe service from the water main at 70th Street to the Arneson Acres Park, Historic Museum and Terrace Room building water service. Member Hulbert seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

***COMMUNITY EDUCATION SERVICES BOARD APPOINTMENTS APPROVED** Motion made by Member Swenson and seconded by Member Housh appointing Ann Swenson, as the Council Representative and Linda Presthus as the Park Board Representative on the Community Education Services Board for a term to June 30, 2006.

Motion carried on rollcall vote - five ayes.

***CONFIRMATION OF CLAIMS PAID** Member Swenson made a motion and Member Housh seconded the motion approving payment of the following claims as shown in detail on the Check Register dated June 9, 2005, and consisting of 27 pages: General Fund \$163,543.74; Communications Fund \$1,135.07; Working Capital Fund \$15,289.21; Construction Fund \$5,789.56; Art Center Fund \$4,607.82; Golf Dome Fund \$1,002.01; Aquatic Center Fund \$21,771.58; Golf Course Fund \$21,569.10; Ice Arena Fund \$3,037.44; Edinborough/Centennial Lakes Fund \$437.60; Liquor Fund \$146,294.99; Utility Fund \$101,175.62; Storm Sewer Fund \$12,724.09; Recycling Fund \$10.64; PSTF Agency Fund \$2,997.32; TOTAL \$501,385.79; and for approval of payment of claims dated June 15, 2005, and consisting of 39 pages: General Fund \$187,133.86; CDBG Fund \$3,610.00; Communications Fund \$4,788.39; Working Capital Fund \$13,240.17; Construction Fund \$1,012.80; Art Center Fund \$7,521.70; Golf Dome Fund \$3,351.59; Aquatic Center Fund \$100,383.27; Golf Course Fund \$37,670.40; Ice Arena Fund \$8,183.87; Edinborough/Centennial Lakes Fund \$9,999.19; Liquor Fund \$184,847.47; Utility Fund \$316,751.43; Storm Sewer Fund \$995.04; PSTF Fund \$1,223.74; TOTAL \$880,712.92.

Motion carried on rollcall vote - five ayes.

BOND SALE APPROVED - GENERAL OBLIGATION PARK AND RECREATION REFUNDING BONDS, SERIES 2005A; GENERAL OBLIGATION TAX INCREMENT REFUNDING BONDS, SERIES 2005B; TAXABLE GENERAL OBLIGATION TAX INCREMENT REFUNDING BONDS, SERIES 2005C; AND GENERAL OBLIGATION TAX INCREMENT REFUNDING BONDS,

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SERIES 2005D Assistant City Manager Anderson reminded the Council he had estimated at the June 7, 2005, Council meeting the potential bond savings. He introduced Mark Ruff and Bruce DeJong from Ehlers and Associates, with results of the sale. Mr. Ruff reminded the Council that all the bonds were refunding bonds. Mr. Ruff indicated a meeting had been held with City staff, Standard & Poor's and Moody's Investors Service, Inc., noting that the City retained their "Aaa" bond rating with Moody's and an "AAA" rating with Standard & Poor's. Mr. Ruff said this was not a common occurrence with a city the size of Edina. Mr. Ruff noted that upon completion of the sale, the total gross debt service savings will be \$1.75 million dollars. In today's dollars that amount would be \$1.3 million dollars. He explained that because the TIF District would end early savings would accrue not only to the City but also to the school district and Hennepin County residents.

Mr. Ruff said the first Bond was a Park and Recreation Refunding Bond, Series 2005A, an issue that occurred several years ago. The winning low bidder was Cronin & Company, Inc. of Minneapolis, MN. Three bids were received. The size of the issue was reduced to \$5,375,000 with present value savings of \$565,886.82, \$16,618.00 higher than projected.

Member Masica inquired who buys most of the municipal bonds. Mr. Ruff responded two large purchasers were Piper Jaffray & Company, and RBC Dain Rauscher, Inc. Cronin & Company was a smaller firm but they work with large national firms.

Mr. Hughes asked who were the end purchasers of these bonds. Mr. Ruff responded that they were primarily funds and individual buyers.

Member Swenson introduced Resolution No. 2005-50 and moved its adoption authorizing the sale of \$5,375,000 General Obligation Park and Recreation Refunding Bonds, Series 2005A to the low bidder, Cronin & Company, Inc. Member Housh seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland
Motion carried.

Mr. Ruff indicated that the General Obligation Tax Increment Refunding Bonds, Series 2005B received six bids with the low bidder being Piper Jaffray & Company of Minneapolis, at \$10,520,000. The present value savings came in at \$291,986.41.

Mayor Hovland asked for more information on the comparative savings on the bond. Mr. Ruff explained the projected savings on the bond was approximately \$241,493.04 with the results of the sale being approximately \$50,000 higher,

Member Swenson introduced Resolution No. 2005-51 and moved its adoption authorizing the sale of \$10,520,000 General Obligation Tax Increment Refunding Bonds, Series 2005B to the low bidder Piper Jaffray & Company. Motion seconded by Member Housh.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland
Motion carried.

Bruce DeJong elaborated that there was a huge amount of interest in these taxable tax increment bonds as there were very few AAA bonds that come to the market. Ten bids were received with a fairly tight spread in the range of bids. Mr. DeJong said results of the sale were at \$6,220,000 with comparative savings of \$209,067.33 or approximately \$14,911.35 higher than was anticipated previously.

Member Masica inquired whether the national interest in these bonds was because of the City's AAA rating. Mr. DeJong said he believed this was the case. Mr. Ruff added the call dates on the bonds have a short term call date and there were not many AAA taxable issues.

Member Swenson introduced the Resolution No. 2005-52 and moved its adoption authorizing the sale of \$6,220,000 Taxable General Obligation Tax Increment Refunding Bonds, Series 2005C to low bidder Piper Jaffray & Company. Member Housh seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Mr. DeJong said Series 2005D, tax increment bonds received three bids with the low bidder being Piper Jaffray & Company of Minneapolis at \$3,505,000. The present value savings was \$229,532.12. The final maturity date of 2013 with a call date of 2012 reduced the number of bidders.

Member Masica questioned the information that stated that, "recent Minnesota tax legislation could have an adverse effect on the values of bonds". Mr. Ruff said the risk factor does not affect the underlying security of the bonds yet there were things outside of the Edina's control that may affect their investment.

Member Swenson made a motion approving the Resolution No. 2005-52 authorizing the sale of \$3,505,000 General Obligation Tax Increment Refunding Bonds, Series 2005D to low bidder Piper Jaffray & Company. Member Housh seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

Mayor Hovland and Member Masica commended staff with maintaining the AAA and Aaa Bond Ratings from Standard & Poors and Moody's for another year.

COUNCIL CONCERNS:

Member Hulbert noted at the recent Transportation Commission meeting, a vote was taken to include a voting student member on the Commission. Mr. Hughes said after the Planning Commission meets, an ordinance amendment could be prepared for the next Council Agenda.

Member Hulbert presented a pictorial proposal to encourage a feasibility study of the area for possible construction of a Multi-Purpose Trail along the Soo Line Spur. Member Hulbert noted that funding for the project would need to be applied for by July 29, 2005. She shared information on:

- Current Status of the Location;
- Corridor of Destinations Across Edina;
- Metro-Wide Connections; and
- Reasons to Build a Multi-Purpose Trail

Mr. Houle shared that about two years ago, funds were solicited for a trail from Vernon Avenue to the west LRT line of approximately two miles of trail. One million dollars of Federal Funds as well as State Aid Funds were acquired for the 2007-2008 project. Staff was working on preliminary designs presently with consultants and the City of Hopkins. The application took four to six months to complete. Mr. Houle noted that to apply for the funding, a \$10,000 cost would be incurred.

Mr. Hughes suggested staff attend the informational meeting scheduled for June 29, 2005, and report back to the Council at the July 5, 2005, meeting.

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TENTATIVE COUNCIL WORK SESSION SCHEDULED FOR JULY 19, 2005 Following a brief Council discussion, a Council Work Session dealing with municipal consent, was tentatively scheduled for July 19, 2005, at 5:30 P.M.

MAYOR HOVLAND AND MAYOR PRO-TEM HOUSH APPOINTED TO COMPENSATION COMMITTEE TO REVIEW CITY MANAGER'S SALARY PACKAGE Member Swenson made a motion appointing Mayor Hovland and Mayor Pro-tem Housh to serve on a Compensation Committee to review City Manager Hughes salary package. Member Hulbert seconded the motion.

Ayes: Housh, Hulbert, Masica, Swenson, Hovland

Motion carried.

OPENINGS ON ASSOCIATION OF METROPOLITAN MUNICIPALITIES (AMM) 2005 POLICY BOARD NOTED Mr. Hughes indicated that applications for serving on the 2005 Policy Committee of the Association of Metropolitan Municipalities (AMM) Board were included in the packets. He encouraged the Council to volunteer for these openings.

EMPLOYEE RECOGNITION RECEPTION TO BE HELD JUNE 23, 2005 Mr. Hughes encouraged the Council's attendance at the Employee Recognition Reception on June 23, 2005, at Braemar Golf Course Clubhouse.

There being no further business on the Council Agenda, Mayor Hovland declared the meeting adjourned at 9:55 P.M.

City Clerk