

**MINUTES  
OF THE REGULAR MEETING OF THE  
EDINA CITY COUNCIL  
HELD AT CITY HALL  
AUGUST 21, 2012  
7:00 P.M.**

**I. CALL TO ORDER**

Mayor Hovland called the meeting to order at 7:10 p.m.

**II. ROLL CALL**

Answering rollcall were Members Bennett, Brindle, Sprague, Swenson and Mayor Hovland.

**III. MEETING AGENDA APPROVED**

Member Brindle made a motion, seconded by Member Sprague, approving the meeting agenda.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

**IV. CONSENT AGENDA ADOPTED**

Member Swenson made a motion, seconded by Member Bennett, approving the consent agenda as revised to remove Items IV.J., RJM Construction Management Services Contract, as follows:

IV.A. Approve regular and work session meeting minutes of August 6, 2012

IV.B. Receive payment of the following claims as shown in detail on the Check Register dated August 9, 2012, and consisting of 31 pages; General Fund \$130,491.92; Working Capital Fund \$31,849.11; Art Center Fund \$10,585.64; Golf Dome Fund \$277.90; Aquatic Center Fund \$15,669.74; Golf Course Fund \$21,646.63; Ice Arena Fund \$28,126.61; Edinborough Park Fund \$3,629.11; Centennial Lakes Park Fund \$6,606.40; Liquor Fund \$239,897.08; Utility Fund \$457,977.25; Storm Sewer Fund \$18,800.49; PSTF Agency Fund \$4,218.89; Payroll Fund \$3,465.49; TOTAL \$973,242.26 and for approval of payment of claims dated August 16, 2012, and consisting of 22 pages; General Fund \$434,429.90; Police Special Revenue \$8,044.93; Working Capital Fund \$141,479.84; Art Center Fund \$1,035.08; Aquatic Center Fund \$17,711.48; Golf Course Fund \$48,049.31; Ice Arena Fund \$210,095.69; Edinborough Park Fund \$1,453.71; Centennial Lakes Park Fund \$13,716.46; Liquor Fund \$208,404.30; Utility Fund \$93,191.30; Storm Sewer Fund \$28,821.50; Recycling Fund \$39,958.20; PSTF Agency Fund \$12,676.38; TOTAL 1,259,069.08; and, Credit Card Transactions dated June 25 – July 25, 2012; TOTAL \$23,282.23

IV.C. Approve Appointments to the 2012 Human Services Task Force: Art Center Board: Hafed Bouassida, Barbara LaValleur, and Ray Meifert; Energy & Environment Commission: Bob Gubrud; Heritage Preservation Board: Colleen Curran; Human Rights & Relations Commission: Russ Stanton; and, Transportation Commission: Ann Braden

IV.D. Request for Purchase – 2012 Microsoft Enterprise Agreement Renewal, awarding the bid to the recommended low bidder, Software House International at \$40,824.57

IV.E. Request for Purchase – Weber Park Basketball Court Renovation, awarding the bid to the recommended low bidder, Finley Bros., Inc. at \$24,730.00

IV.F. Approve SGN/Wendel Architect / Engineering Services for the Countryside Park shelter buildings at \$27,600.00 plus reimbursable expenses for actual printing and delivery costs

IV.G. Adopt Resolution No. 2012-104, Findings of Fact, 4524 Bruce Avenue Appeal Certificate of Appropriateness

V.H. Request for Purchase – Gallagher Drive and Nine Mile Creek Regional Trail Improvements – Contract No. ENG 12-8, awarding the bid to the recommended low bidder, Midwest Asphalt Corporation at \$353,132.60

IV.I. Reject Bids – Raw Water Main Piping – Contract No. PW 12-2

~~IV.J. RJM Construction Management Services Contract at a not to exceed amount of \$21,183 per month~~

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Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

**ITEMS REMOVED FROM THE CONSENT AGENDA**

**IV.J. RJM CONSTRUCTION MANAGEMENT SERVICES CONTRACT – APPROVED**

Manager Neal explained the construction manager would assist with the insurance settlement and in creating a project budget. At this time, it was expected the project would generally be within the amount of the insurance settlement. **Member Brindle made a motion, seconded by Member Bennett, to approve the RJM Construction Management Services Contract at a not-to-exceed amount of \$21,183 per month.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

**V. SPECIAL RECOGNITIONS AND PRESENTATIONS**

**V.A. JAN CALLISON, HENNEPIN COUNTY COMMISSIONER – REPORT RECEIVED**

Commissioner Callison updated the Council relating to Hennepin County’s budget and constituent needs, and announced the retirement of Hennepin County Administrator Richard Johnson and the resignation of Medical Center CEO Dr. Art Gonzalez. Commissioner Callison then provided statistics on the Southdale and Grandview Libraries and advised of delays at the County’s Service Center as a result of budget cuts. She stated the County added temporary security to Southdale Court and reviewed studies underway related to how those types of costs could be funded. Commissioner Callison and Council discussed the Library and Service Center services and funding for France and York Avenues improvements.

The Council commented on the importance of maintaining a local court and thanked Commissioner Callison for representing the interests of Edina.

**V.B. IMAGES OF EDINA PHOTO CONTEST WINNERS PRESENTATION**

Communications Coordinator Gilgenbach introduced the 2012 Images of Edina Photo Contest parameters and announced award winners as follows: “Morning Glory Love” by Lori Anne Yang in the “Living: People” category; “Singing in the Rain” by Denis Plaster in the “Living: People” category; “Young Photographer” by Anne Girton in the “Learning” category; “Sunset Swing” by Megan Norman in the “Raising Families” category; “Creek Valley Water Tower” by Lisa Hafey in the “Doing Business” category; and, “Stay Back” by Ty Dowda in the “Readers’ Choice” category. Mr. Gilgenbach announced the “Best of Show” category was awarded to “Singing in the Rain” by Denis Plaster. Mayor Hovland presented the awards and congratulated each recipient.

**VI. COMMUNITY COMMENT**

No one appeared to comment.

**VII. REPORTS / RECOMMENDATIONS**

**VII.A. RESOLUTION NOS. 2012-94 AND 2012-95 ADOPTED – EDINA EMERALD ENERGY PROGRAM (EERP): APPLICATION APPROVED, SPECIAL ASSESSMENT CERTIFIED, REVENUE BOND ISSUED**

Environmental Engineer Bintner recommended approval of the France at 50<sup>th</sup> LLC application requesting \$39,308 of property assessed financing for energy efficiency improvements for a \$50,000 energy retrofit to install LED lighting and a smart control system for a restaurant cooking hood at Salut Bar Americain. He indicated over the long term the interest percentage should cover the City’s costs. If approved, the total assessment levied against the property would be \$40,030 for a term of five years at 7.5% beginning 2013.

Mr. Neal indicated the program details were established by the Council and it could determine whether the interest rate spread should be changed or to increase the application fee. He stated staff was becoming more familiar with the process and could monitor the City’s costs.

Jeremy Kalin, Eutectics Consultant LLC, chief author of PACE legislation, stated this was considered an historic deal because it was the first PACE-assessed project funded by a non-California source as well as the first time a non-private equity fund had come into play.

The Council considered whether it should make the program more attractive by lowering the interest percentage by 1% or amortize the 2% interest over time. Mr. Kalin stated the program would continue to be tweaked and they would negotiate with the investor network to assure the PACE program remained marketable. He extended his appreciation to Senator Franken's staff for its assistance and advised that Bremer Bank, a community-focused bank, was meeting its mission and its community reinvestment act score would be improved as a result of financing this project. **Member Bennett introduced and moved adoption of Resolution No. 2012-94, authorizing issuance and sale of \$40,030 EEEP Special Assessment Revenue Bond Series 2012B (taxable), fixing the form and specifications thereof, providing for its execution and delivery, and providing for its payment; and adoption of Resolution No. 2012-95, approving agreement and adopting assessment.** Member Swenson seconded the motion.

The Council further discussed the interest percentage and whether it could be lowered by 1% and still cover the City's costs. Mr. Kalin advised there was a good payback for the business through energy savings so there had been no resistance to 2% spread.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

**VII.B. SPECIAL ASSESSMENT POLICY REVISION – APPROVED**

Finance Director Wallin presented revisions to the Special Assessment Policy as directed by the Council and recommended approval. The Council noted the policy included the use of franchise fees to fund sidewalk, trails and lighting costs; however, franchise fees had not yet been formally adopted. Mr. Neal advised of the franchise fee collection cycle, noting the final assessment hearings would be in 60 days but franchise fee revenue would not be collected for 180 days.

Following discussion, the Council indicated fees would be presumptive to designate use of franchise fees prior to it being formally adopted. The Council agreed to strike the last sentence of the section titled "Allocated Costs" and agreed to reconsider the funding of sidewalks, trails and lighting as improvements to the city's non-motorized transportation network once franchise fees were adopted

Member Bennett raised and the Council discussed the need to formally address how REUs were calculated for multi-unit buildings, schools, and parks to assure it fairly measured the impact on roads. Mr. Neal indicated this matter would be addressed in a separate supportive policy.

In the interest of assuring consistency and providing clarity, Member Bennett urged that staff evaluate the impact on the City and property owners paying assessments to include in the allocated, not assessable, costs the replacement of the sewer line section from the sewermain to the right-of-way, similar to the formula used for the water line from the watermain to the shutoff valve. The Council acknowledged that it had been determined that replacement of the sewer line from the sewer main to each house was not a feasible option because it would quickly drain the Utility Fund. Consensus was reached that staff would assure better timed communication with property owners to be assessed relating to the option of taking the City's bid or to undertake a private contract for upgrade of the water/sewer line from the main to the house. **Member Swenson made a motion, seconded by Member Sprague, to approve the Special Assessment Policy as revised with the last sentence of "Allocated Costs" struck.**

The Council further discussed the language of the policy and asked questions of staff. Member Bennett reiterated her request that staff provide information on "before" the impact. to utility rates including the cost to replace the sewer service line from the main to the property line, in the allocated costs similar to

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the current allocation of the water line costs. Mr. Neal indicated staff would provide that cost information for Council review.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

### ***VII.C. DONATIONS POLICY REVISION – TABLED TO DECEMBER 18, 2012***

Ellen Jones, Park Board Member and Chair of the Donations Policy Working Group, described its process to address the Donations Policy, thanking all who were involved. Ms. Jones presented its recommendation that the City replace the two existing Donations Policies with the proposed Donations Policy dated May 8, 2012; to develop a Citywide uniform donation application and agreement form signed by the City and donor; and, to create new sponsorship and advertisement policy. Ms. Jones stated additional recommendations were to develop a donations pamphlet, a master plan showing where donated items could be placed, enhance volunteer programs to increase donations, and evaluate standardized and enhanced ways to recognize donors of goods and services.

Bob Kojetin, Donations Policy Working Group, stated the intent of the booklet he prepared was to create a record to preserve information on those making donations. He indicated the booklets were available at the Park and Recreation Department and Historical Society Museum.

The Council indicated it would like additional time to review the information just received and hold a Work Session discussion with the Donations Policy Working Group as well as the Naming and Dedication of City Facilities Policy Working Group. Member Bennett requested that, prior to the Work Session, there be an administrative review to assure consistency with current policies and sharing of suggested edits with the intent of holding a substantive discussion to advance the policies. **Member Swenson made a motion, seconded by Member Brindle, to table consideration of the Donations Policy revision to the December 18, 2012, Council Work Session.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

### ***VII.D. NAMING AND DEDICATION OF CITY FACILITIES POLICY – TABLED TO DECEMBER 18, 2012***

**Member Swenson made a motion seconded by Member Brindle, to table consideration of the Naming and Dedication of City Facilities Policy to the December 18, 2012, Council Work Session.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

### ***VII.E. USER FEE RECOMMENDATIONS APPROVED***

Keeya Steel, Chair of the Park Board and User Fee Policy Working Group, presented its evaluation of the current per participant user fee for youth athletic associations. Ms. Steel then presented the recommendations of the Working Group for a per participant fee; for staff to determine and provide to the Park Board variable maintenance costs, staffing costs, capital improvement needs, and in-kind donations per association; that per participant user fee increases take effect the following fiscal year and not be raised two consecutive years in a row; for priority use athletic associations to submit a financial reporting form developed by the City; for priority use athletic associations to report the percent of Edina residents participating in their association; creation of a third priority use document for Braemar Area; to recognize Braemar City of Lakes Figure Skating Club (BCLFSC) and Edina Hockey Association (EHA) as priority use youth associations; to exempt associations that exclusively use enterprise facilities from the per participant user fee because they pay competitive hourly fees to use those facilities; and, that City staff monitor and report tournament costs separately from regularly scheduled events.

Ms. Steel raised two discrepancies resulting from the revision of the Priority Use of the Edina Aquatic Center Facility Policy and the Relationship Document relating to providing an exception to team eligibility for the Swim Club; and, that the Edina Basketball Association functions like the Edina Baseball Association

providing house and travelling leagues for all ages. However, Edina Girls Athletic Associations also offer house league basketball, conflicting with the "one youth athletic association per sport rule." Director of Parks Keprios explained that a surcharge fee had been imposed for the life of the bonds needed to improve the East Arena. That surcharge fee had been reinstated for the Hornet's Nest project.

Member Sprague stated that the EHA was a recognized association and would have top priority use. The BCLFSC was a long-term tenant, but the Council would not equate the BCLFSC on the same level as the resident association. Mr. Keprios stated he had recommended striking the exemption of the BCLFSC from the residency requirement, thinking it should not be exempt. He indicated staff was drafting a new policy for priority use of Braemar Arena on the basis that no priority group should be exempt from the residency requirement. Once completed, that policy would be presented for Council consideration. It was noted the residency percentage was at the Council's purview. Ms. Steel confirmed that the BCLFSC has not previously been recognized as a priority use youth association and does not appear in any relationship documents."

The Council discussed the issue of cost recovery and possible push back by associations that do not understand the cost to provide priority or dedicated uses. It was indicated that while the Council does not expect 100% cost recovery, it does support increase in user fees (possibly matching inflation) on a timelier basis. The Council considered whether it was feasible to collect cost data for the next year to undertake a cost analysis. Mr. Keprios stated the data could be collected but there were considerable variables and it would be labor intensive. The Council indicated it would be beneficial to collect the data for the purpose of having discussion and making an informed decision on the user fee level; however, such data would not need to be collected annually.

Ms. Steel reported the athletic associations had a sense of unity and did not want to be treated differently. Mr. Kojetin stated another consideration was the worth of athletic association and school district programming to the City of Edina. The Council acknowledged that the standard of park facilities had increased over the years and strong athletic programming was attractive to Edina's residents. The Council indicated support for the Working Group's recommendations noting, however, they did not constitute a policy.

Mr. Keprios and the Council stated its appreciation to the Working Group for addressing these challenging issues. **Member Bennett made a motion, seconded by Member Sprague, to approve the User Fees Working Group recommendations with the following revisions: "1. Per participant user fee, a. ~~Without further information on variable field maintenance costs,~~ We support the current...;" 1.b. "We recommend staff ~~annually document~~ collect variable maintenance costs...;" and, "3. Youth athletic associations that use enterprise facilities, a. Since a second priority use document was recently created for the Edina Aquatic Center, we recommend creating a third priority use document for Braemar Arena. ~~This document should recognize Braemar City of Lakes Figure Skating Club as priority use youth associations, and include the Edina Hockey Association.~~ This document would include..."**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

**VII.F. RESOLUTION NO. 2012-98 ADOPTED – ACCEPTING VARIOUS DONATIONS**

Mayor Hovland explained that in order to comply with State Statutes; all donations to the City must be adopted by Resolution and approved by four favorable votes of the Council accepting the donations. **Member Bennett introduced and moved adoption of Resolution No. 2012-98 accepting various donations.** Member Swenson seconded the motion.

Rollcall:  
Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

**VIII.G. ALLOCATION OF 2011 GENERAL FUND UNDESIGNATED FUND BALANCE – APPROVED**

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Mr. Neal presented a recommendation to allocate \$380,000 of the 2011 General Fund Undesignated Fund Balance, which left \$1,262,395 (76% of the balance). Mr. Neal answered questions of the Council and stated he was not recommending buying down the levy for next year because it was one-time money and would result in a bigger disparity between what was spent and what was taxed. **Member Swenson made a motion, seconded by Member Brindle, to approve the allocation of 2011 General Fund undesignated fund balance as follows: Technology Upgrades - \$140,000; Building and Infrastructure Upgrades - \$140,000; and, Employee Vacation Time Buyout - \$100,000.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

**VIII. CORRESPONDENCE AND PETITIONS**

**VIII.A. CORRESPONDENCE**

Mayor Hovland acknowledged the Council's receipt of various correspondence.

**VIII.B. ADVISORY BOARDS & COMMISSION CORRESPONDENCE:**

1. **MINUTES – ENERGY & ENVIRONMENT COMMISSION, JUNE 12, 2012**
2. **MINUTES – HERITAGE PRESERVATION BOARD, JULY 9, 2012**
3. **MINUTES – PARK BOARD, JULY 10, 2012**
4. **MINUTES – VETERAN'S MEMORIAL COMMITTEE – MAY 18, 2012**

Informational; no action required.

**IX. MAYOR AND COUNCIL COMMENTS – Received**

**IX.A. WEST 58<sup>th</sup> STREET – REFERRED TO EDINA TRAFFIC SAFETY COMMITTEE**

**Member Swenson made a motion, seconded by Member Sprague, to request the Edina Traffic Safety Committee to provide recommendation on potential safety improvements of West 58<sup>th</sup> Street considering safe crosswalks to the park, stop signs at the bottom of the hill, and identifiable speed signs.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

**X. MANAGER'S COMMENTS – Received**

**XI. CLOSED SESSION – SALLY LANE AND VALLEY VIEW ROAD TREE LITIGATION**

City Attorney Knutson advised of circumstances under which the Council could meet in closed session. **Member Sprague made a motion, seconded by Member Brindle, to recess the meeting at 10:40 p.m. and move to executive session to address the Sally Lane and Valley View Road tree litigation.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

**XII. ADJOURNMENT**

The regular session reconvened at 11:20 p.m. **Member Swenson made a motion to adjourn the regular session at 11:20 p.m.** Member Brindle seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland  
Motion carried.

Respectfully submitted,

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Debra A. Mangen, City Clerk

Minutes approved by Edina City Council, September 4, 2012.

Video Copy of the August 21, 2012, meeting available.

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James B. Hovland, Mayor