

**MINUTES**  
**COMMITTEE-OF-THE-WHOLE WORK SESSION**  
**May 15, 2006**  
**City Hall Conference Room**  
**4:30 p.m.**

**PRESENT:** Mayor Rietz, Council Member-at-Large Christopherson, Council Members Hecimovich, Baker, Nordin, Dick Pacholl, Scott Pacholl, and McAlister

**ABSENT:** None

**STAFF PRESENT:** David Hoversten, Paul Philipp, Jon Erichson, Jim Hurm and Tom Dankert

**ALSO PRESENT:** Roger Everett, KAAL TV-6, KTTC TV, Austin Post Bulletin, and Austin Daily Herald

The Mayor called the work session to order at 4:30 pm.

**Other Item – Bids** – Public Works Director Jon Erichson stated that we received bids today for seasonal oil and seasonal asphalt for our street repair program. Mr. Erichson noted the seasonal asphalt bids came in with a material cost of over 64% increase from 2005. The seasonal oil bids came in 46% higher than in 2005. Mr. Erichson noted he is proposing tonight to award the bids and lower the maintenance program materials to fit within the 2006 budget.

Council Member Hecimovich clarified that we would then be doing fewer repair projects in 2006. Mr. Erichson noted that would be correct.

No objections noted by council. Item is already on this evening's council agenda.

**Other Item – Closed Work Session** – Mayor Rietz noted that one council member will be absent on Tuesday evening (May 16) for the work session. Mayor Rietz noted the closed session was scheduled for 5:30 for a review of the administrative personnel. Mayor Rietz noted it is important to have all seven council members present for this discussion. Mayor Rietz noted she would move the closed portion of the meeting to a later date.

No objections noted.

**Item #1 – Review of Revised Pawnshop Ordinance** – Police Chief Paul Philipp discussed a proposed ordinance that has been crafted by the city attorney. The proposed ordinance is modeled after a similar ordinance from the City of Bemidji. Two proposed ordinances were reviewed, including one that just dealt with pawnshops, and another that dealt with both pawnshops and second hand stores. Chief Philipp stated that currently we do not regulate second hand stores, so we do not really know how many we have. Chief Philipp stated if second hand stores are included in the ordinance, a license will have to be given out to all of the second hand stores. Chief Philipp stated his preference for adopting the proposed ordinance that just deals with pawnshops, not the one that includes second hand stores. Chief Philipp stated that if the second hand stores become a problem, then we can look at an ordinance for those businesses. City Attorney David Hoversten noted the many different exceptions in the ordinance that

covered second hand stores. Mr. Hoversten affirmed Chief Philipp's recommendation to start with the pawnshop ordinance first, and then move to a second hand store ordinance if problems start occurring.

Roger Everett, owner of Ron's Pawn Shop in Austin, noted he has been in business for twenty years, and questioned why the council was looking at this proposed ordinance now. Mr. Everett noted he does not have the time or the money to comply with this ordinance. Mr. Everett noted he cannot determine grades of diamonds, and other requirements under the APS (Auto Pawn System). Mr. Everett noted that after Albert Lea passed their pawnshop ordinance, the only pawnshop in that town changed to a "buy and sell" status with no reporting requirements. Mr. Everett also noted there are no studies that state the APS system even works. This APS company is making a lot of cash on this program. Mr. Everett also noted it would take a long time to catalog 100 CD's if somebody came in with those.

Chief Philipp stated the database would need to have listed all 100 CD's if they were pawned. However, pre-populated fields would have the seller's name, address, etc. so that only the CD titles would need to be added. Chief Philipp stated that often the pawn slips that come from Ron's pawnshop are worthless as there is no specific information listed.

Mayor Rietz questioned the diamond ring issue Mr. Everett brought forward. Chief Philipp stated that Ron's Pawnshop is loaning money based on an estimated value of the diamond. Mr. Everett can obviously make enough judgments on the value of the ring to loan cash on them without grading them or dismantling the ring.

Mayor Rietz also noted that Sheriff Terese Amazi also supports the program and says it is important. Chief Philipp noted that many bordering counties are starting to get involved with the system, whereas now we have to manually go through all of the slips.

Council Member Hecimovich questioned how this would affect those businesses that occasionally set up shop at the mall and buy and sell precious metals. Under this proposed ordinance, those dealers would need a license under the second ordinance that covers second hand stores. Council Member Hecimovich stated the second ordinance that covers second hand stores seems fairer for all businesses.

Council Member Dick Pacholl questioned what happened in Albert Lea. Mr. Everett stated they quit loaning cash; they just buy and sell goods with no regulations watching over them.

Council Member-at-Large Christopherson noted that the County does not have any pawnshops, yet they have a query authority under the APS system. How does the County pay for this query only authority on the APS system? Chief Philipp noted Mower County pays an annual fee for a query only feature.

Mayor Rietz noted that if we go with the ordinance that includes the second hand stores, then slips would come in from second hand dealers also. Chief Philipp noted that was correct, and would even include Deno's Arcade on 4<sup>th</sup> Avenue NE. Chief Philipp noted charitable organizations (Salvation Army, for example) are exempt under both ordinances.

After further discussion Mayor Rietz asked Council what direction they wanted to take.

Motion by Council Member Hecimovich, seconded by Council Member Dick Pacholl to recommend to Council the proposed ordinance that regulates both pawnshops and second hand stores.

Before the vote could be taken, the following comments were made:

- Council Member Nordin noted we should keep it simple and just do the one ordinance.
- Council Member Scott Pacholl stated he agreed with Council Member Nordin.
- Council Member McAlister stated he is struggling with this. This has absolutely nothing to do with meth use; however, Ron's pawn slips are worthless. If we are to pass an ordinance, we should just do the one ordinance on pawnshops only.
- Council Member-at-Large Christopherson stated that he also struggles with this issue. If Ron's Pawnshop changes to a "Buy and Sell" business, then we do not have any pawnshops, and would not need the APS system. If we still want the APS system for query only, who then pays for it?

Chief Philipp answered Council Member-at-Large Christopherson's question by noting we would need about \$1,500 annually to use the query system. Council Member-at-Large Christopherson questioned the fairness to other businesses with this proposed ordinance. Chief Philipp noted Council should be doing this to be fair to the citizens to get their stolen goods back.

The voice vote was taken on the original motion above, roll call as follows:

Council Member Baker	Nay
Council Member Dick Pacholl	Aye
Council Member Hecimovich	Aye
Council Member McAlister	Nay
Council Member Scott Pacholl	Nay
Council Member Nordin	Nay
Council Member-at-Large Christopherson	Aye

Motion failed 3 Ayes to 4 Nays. Item will be proposed on council agenda for just the pawnshop ordinance, not including the second hand store coverage.

There being no further business, Council Member Nordin moved to adjourn the work session, seconded by Council Member-at-Large Christopherson. Motion passed and the meeting was adjourned at 5:13 p.m.

Respectfully submitted,

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Tom Dankert  
Director of Administrative Services