



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

10801 Town Square Dr.
Blaine MN 55449

City Council Workshop

**While this is a public meeting where interested persons are welcome to attend, it is a work session for Council and staff to discuss issues before them. It is not for the purpose of receiving public input.*

Thursday, October 9, 2014

6:30 PM

Cloverleaf Farm Room A

Meeting Number 14-55

NOTICE OF WORKSHOP MEETING

1 Call to Order

The meeting was called to order by Mayor Ryan at 6:30 p.m.

2 Roll Call

Quorum Present.

ALSO PRESENT: Clark Arneson, City Manager, Thomas Sweeney, City Attorney; Bob Therres, Public Services Manager; Joe Huss, Finance Director; Ward Brown, Financial Analyst; Bob Fiske, Community Standards Director; Chris Olson, Police Chief/Safety Services Manager; Nyle Zikmund, SBM Fire Chief;
Al Thorp, Senior Engineering Technician; Catherine Sorensen, City Clerk and Recording Secretary Linda Dahlquist.

Present: 5 - Mayor Ryan, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, and Councilmember Herbst

Absent: 2 - Councilmember Hovland, and Councilmember Kolb

3 New Business

3-1 [WS 14-51](#)**TWIN CITIES GATEWAY 2015 BUDGET****Sponsors:** Arneson**Attachments:** [TCG 2015 Proposed Budget](#)

Steve Markuson stated the TCG Board budgets conservatively and maintains a healthy fund reserve for a strong fiscal policy. He noted 2014 was an exceptional year. He stated TCG will invest over \$1 million dollars in 2015 to marketing. He noted the largest growth was in hotel occupancy, average daily rates, and room revenues. He noted that all promotion materials state “next to the Twin Cities.” He stated TCG advertises on 50 different websites. He gave an overview of upcoming events of the Four Season Curling Club. He stated the TCG awarded six event grants in 2014.

Mayor Ryan asked if any new hotels are being planned for the area. Mr. Markuson stated no hotels are planned in this area, but there are eight being built in the metro area.

Informational: no action required

3-2 [WS 14-52](#)**MEDICAL LAND USE**

Sponsors: City Council

John Henderson, Minnesota Compassionate Care, LLC (MCC), stated MCC is proposing to provide the highest quality, consistently dosed and accurately labeled medical cannabis products to qualified patients in Minnesota at the lowest price. He noted that iAnthus Capital Management, LLC (iAnthus) is a company that provides capital and expert management services to licensed medical cannabis cultivators, manufacturers, distribution facilities and dispensaries and is the sole member of MCC.

City Manager Arneson commented the building is located on Corral Sea and 84th Avenue. He asked what is inside the building. Mr. Henderson replied the building will have a plant growing area, plant drying area, plant C02 extraction area, and office space. He noted the building will have extra cooling due to the heat from the growing lights.

Councilmember Bourke asked about distribution. Mr. Henderson stated licenses will be issued and MCC will have a registered pharmacist. He noted that patients have to be registered and hold a prescription card.

Councilmember Herbst asked if patients insurance will cover costs and what does an average dose cost. Mr. Henderson replied insurance does not cover costs and that the cost is \$15 per dose.

Councilmember Herbst asked about plant by-product. Mr. Henderson replied the by-product is composted on site and then disposed of as stated by law.

Councilmember Swanson asked about number of employees. Mr. Henderson replied up to 15 making approximately \$50,000 annually.

Councilmember Clark asked what the building security will look like. Mr. Henderson replied MCC will work with the City on the building's visual security. He commented that fencing with gating will be used.

Councilmember Clark stated he is concerned about high fences that resemble a prison. Mr. Henderson replied he agrees that the property needs to be pleasant looking for patients and the neighborhood.

Mayor Ryan asked about overall building security. Mr. Henderson replied the building will have 24/7 armed security personnel.

Mr. Henderson commented the State wants to move quickly on licensing and will shorten the applicant list from 12 down to four. He noted that the license will be issued December 1.

Councilmember Herbst questioned the street value of marijuana and how much will be grown in the building. Mr. Henderson replied he did not know the street value. He stated the first growing phase will result in 100 kilograms in the first year. He noted the crop is not usable until a certain point in the process.

City Manager Arneson stated some City ordinances may need to be changed with this type of business.

Councilmember Herbst asked about fire safety issues with the product. SBM Fire Chief Zikmund stated the building will have sprinklers and noted that the product is not as combustible as other types of products.

Discussed

3-3 [WS 14-53](#)**RENTAL LICENSING PROGRAM**

Sponsors: Fiske

Community Standards Director Fiske stated since 2007 all rental properties have to be licensed in the City. He stated currently there are 1,362 rental licenses, 551 single-family homes, 698 townhouses, some duplexes and some manufactured homes.

Councilmember Clark asked how rental properties are identified. Community Standards Director Fiske replied renters apply with the City. City Manager Arneson noted that 1,362 are 5% of the City's housing stock.

Community Standards Director Fiske stated some associations limit the number of rentals within their development. He gave an overview of owners with more than four buildings which totaled nine owners with the largest being Invitation Homes. He noted that the City inspects rental properties every three years. He stated that the current fee schedule is two-tier and provides discounted rates for properties that have no violations over a three-year period.

Councilmember Herbst suggested raising the fee on repeat violators.

Community Standards Director Fiske gave an overview of departmental costs. He stated revenue is \$175,000 for 90% time of two inspectors and 50% time for secretary equaling \$197,000, which is a \$22,000 deficit. He noted that other duties include complaint inspections, regular training, and emergency staff training.

Councilmember Swanson commented the homeowner associations should be instructed to contact the City with rental issues. Community Standards Director Fiske suggested the City send letters to the homeowner associations informing them who to contact with renter issues.

Councilmember Swanson suggested limiting rentals in certain areas and to inspect specific areas more often. Fiske replied the department can set up a schedule for inspecting the older areas of the City more often.

Councilmember Clark asked about a new rental property inspection schedule. Community Standards Director Fiske stated the schedule for inspections is every three years inside and outside, unless a resident complains about a property.

Councilmember Clark suggested inspecting inside rental properties every three years and inspect outside annually. He noted the most violations are with the single-family homes and the biggest complaints are about yards.

Discussed3-4 [WS 14-54](#)**2015 PROPOSED CAPITAL EQUIPMENT FUND BUDGET****Sponsors:** Huss**Attachments:** [2015 Proposed Capital Equipment Budget](#)
[2015-19 Proposed Capital 5-year Budget](#)

Finance Director Huss stated the proposed 2015 Capital budget totals \$1.59 million. He stated staff is requesting authorization to seek bids from local banks for a Certificate of Indebtedness. He noted 2014 and 2015 purchases will be incorporated in order to save on issuance costs.

Mayor Ryan stated that equipment has been crossed off the Public Services budget but it is really needed.

Council discussion on 5-ton hook-mounted pothole patcher. While Council did suggest putting the pothole patcher back in the budget, their final disposition was to move forward with staff's recommended priorities, and leave the pothole patcher off of the 2015 budget.

Council discussion on temporary speed humps issue with warranty if using them in the winter. Council requested review of warranty. Public Services Manager Therres noted that the warranty is void if they are used during wintertime. Council consensus to not purchase another set until the warranty is reviewed.

Finance Director Huss stated bank bids would be received in December for Council selection.

Discussed**OTHER BUSINESS**

Mayor Ryan stated he met with Marie McCarthy, Met Council District 10 representative, about the MSP Thrive 2040. Councilmember Herbst commented the City needs to write a letter stating the City is not in favor of MSP Thrive 2040.

City Manager Arneson stated the Council will hold a special public hearing on November 5, 2014.

ADJOURN

The Workshop adjourned at 8:45 p.m.