

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL MEETING
Thursday, October 5, 2017

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

CALL TO ORDER BY MAYOR RYAN

The meeting was called to order at 7:30 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 Andy Garvais (skype), Jason King, and Dick Swanson.

ABSENT: Councilmember Dave Clark, Wes Hovland and Julie Jeppson.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Police Sergeant Joe Sadler; Associate Planner Shawn Kaye; Finance Director Joe Huss; Public Services Manager/Assistant City Manager Bob Therres; City Attorney Patrick Sweeney; Communications Technician Roark Haver; Senior Engineering Technician Jason Sundeen; and Administration Technician Lisa Derr.

APPROVAL OF MINUTES

Workshop Meeting – September 14, 2017

Workshop Meeting – September 21, 2017

Regular Meeting – September 21, 2017

Moved by Councilmember King, seconded by Councilmember Swanson, that the Minutes of the Workshop Meeting of September 14, 2017, the Minutes of the Workshop Meeting of September 21, 2017 and the Minutes of the Regular Meeting of September 21, 2017 be approved.

Motion adopted unanimously.

AWARDS - PRESENTATIONS - ORGANIZATIONAL BUSINESS

None.

COMMUNICATIONS

None.

OPEN FORUM FOR CITIZEN INPUT

Mayor Ryan opened the Open Forum at 7:32 p.m.

There being no input, Mayor Ryan closed the Open Forum at 7:33 p.m.

ADOPTION OF AGENDA

The agenda was adopted as presented.

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

None.

APPROVAL OF CONSENT AGENDA:

Moved by Councilmember Swanson, seconded by Councilmember King, that the following be approved:

10.1 Motion 17-113, Schedule of Bills Paid.

Motion adopted unanimously.

DEVELOPMENT BUSINESS

11.1 First Reading – Ordinance No. 17-2384, Rezoning from FR (Farm Residential) to DF (Development Flex) at the NE Quadrant of Lever Street and 125th Avenue. Excelsior Group. (Case File No. 17-0029/SLK).

Associate Planner Kaye recommended the Council hold the First Reading for an Ordinance that would rezone the northeast quadrant of Lever Street and 125th Avenue from FR (Farm Residential) to DF (Development Flex). She reviewed the proposed plans for this property in further detail with the Council and recommended the Ordinance be introduced.

Mayor Ryan requested further information on the two entrances for the property. Associate Planner Kaye reviewed the proposed entrance points for the property.

Councilmember King asked if the southern entrance would be a right-in, right-out. Associate Planner Kaye reported this was the case.

Michael Klaas, 12551 Lever Street NE, requested further information on MSA funding and asked if Lever Street could be an MSA funded roadway. Councilmember King encouraged Mr. Klaas to leave his contract information with staff and noted the City would respond to him with a detailed answer to these questions.

John Caldwell, 4801 125th Avenue NE, explained the proposed development would wrap around the north and east portions of his property. He expressed concern with the fact that the proposed development would landlock his property, which means he would be unable to develop. He questioned why he was not invited into discussions with the City when this proposal was brought forward. He stated he believed the proposed development was inappropriate and would take money from him. He encouraged the Council to go back to the drawing board in order for this project to be reworked to eliminate his property being landlocked.

Councilmember King encouraged staff to forward the developers information to Mr. Caldwell in order to allow them to be in communication.

City Manager Arneson clarified this project was brought forward by a private developer and the City was not initiating the development.

Mr. Caldwell thanked Councilmember Garvais for his service and indicated the proposed development would flood his property and would prohibit him from developing.

Councilmember Swanson stated he would like to know how Mr. Caldwell's property would be accessed when the Second Reading came before the City Council. City Manager Arneson explained staff would provide this information for the Council at their next meeting.

Mayor Ryan stated he looked forward to reviewing this information at the October 19th City Council meeting.

Mr. Caldwell commented on a conversation he had with Mr. Schmidt from the watershed district. He explained the ditch system does not have enough delineation in order to keep the water away from the existing homes.

Councilmember Garvais stated he did not want these new developments to cause flooding onto existing land. He encouraged staff to be cognizant of this concern. The Council was in agreement.

Declared by Mayor Ryan that Ordinance No. 17-2384, "Rezoning from FR (Farm Residential) to DF (Development Flex) at the NE Quadrant of Lever Street and 125th Avenue," be introduced and placed on file for second reading at the October 19, 2017 Council meeting.

ADMINISTRATION

12.1 Resolution 17-142, Providing for the Competitive Negotiated Sale of Taxable General Obligation Improvement Bonds, Series 2017A, in the Amount of \$4,020,000.

Moved by Councilmember King, seconded by Mayor Ryan, that Resolution 17-142, "Providing for the Competitive Negotiated Sale of Taxable General Obligation Improvement Bonds, Series 2017A, in the Amount of \$4,020,000," be approved.

Finance Director Huss stated the proposed resolution calls for the sale of \$4,020,000 in Taxable General Obligation Improvement Bonds, and sets the sale date of these bonds for November 2, 2017. The bonds would be issued pursuant to Minnesota statutes and U.S. Treasury regulations and the proceeds from the bonds will be used to fund the construction of Lever Street from 125th Avenue NE to 132nd Avenue NE and related improvements, including sanitary sewer and water, which have been funded at least in part by assessments against property owners. Springsted, Inc., the City's Financial Consultant, has provided a recommendation to the City that outlines the sale date, amount, and structure of the proposed bond.

Councilmember King requested further information on the bond bidding process. Finance Director Huss commented on the process and anticipated the City would receive eight to ten bids for these bonds, given the City's bond rating.

Councilmember Swanson asked why this was a taxable bond issuance. Finance Director Huss explained this was pursuant to the fact the assessment role did not have uniform assessment amounts.

Motion adopted unanimously.

12.2 Resolution 17-143, Providing for the Competitive Negotiated Sale of General Obligation Water Revenue Refunding Bonds, Series 2017B, in the Amount of \$2,505,000.

Moved by Councilmember Swanson, seconded by Mayor Ryan, that Resolution 17-143, "Providing for the Competitive Negotiated Sale of General Obligation Water Revenue Refunding Bonds, Series 2017B, in the Amount of \$2,505,000," be approved.

Finance Director Huss stated the proposed resolution calls for the sale of \$2,520,000 in General Obligation Water Revenue Refunding Bonds, and sets the sale date of these bonds for November 2, 2017. The bonds would be issued pursuant to MN statutes and U.S. Treasury regulations and the proceeds from the bonds will be used to refund the City's General Obligation Water Utility Revenue Bonds, Series 2008A. The 2008A bonds have a final maturity of February 1, 2023. The refunding would not extend the maturity schedule and, based on current market conditions, is expected to result in net present values savings of \$115,000. Springsted, Inc., the City's Financial Consultant, has provided a recommendation to the City that outlines the sale date, amount, structure of the proposed bond issue, and the estimated savings from the refunding.

Motion adopted unanimously.

12.3 Resolution 17-144, Declaring the Official Intent of the City of Blaine, Minnesota, to Reimburse Certain Capital Expenditures of a Project from the Proceeds of Tax Exempt Bonds.

Moved by Councilmember King, seconded by Councilmember Swanson, that Resolution 17-144, "Declaring the Official Intent of the City of Blaine, Minnesota, to Reimburse Certain Capital Expenditures of a Project from the Proceeds of Tax Exempt Bonds," be approved.

Finance Director Huss stated pursuant to IRS and U.S. Treasury regulations, in order for municipalities to pay for capital improvement costs that are incurred before the issuance of bonds that will be used to fund those capital improvements, a municipality must first declare this as its intent. The City intends to issue General Obligation Water Revenue bonds in 2018 to fund improvements to the City's municipal water system including the design and construction of a new water treatment plant, the reconstruction and upgrading of well houses, and technology improvements in the utility's radio and SCADA systems. The resolution was prepared by the City's bond counsel, Kennedy & Graven, declares the City's intent to reimburse certain capital costs incurred before the debt is issued with proceeds from the 2018 issue.

Motion adopted unanimously.

12.4 Motion 17-114, Accepting the Proposal from Gallagher Benefit Services, Inc. to Conduct a Classification and Compensation Plan Study.

Moved by Councilmember Swanson, seconded by Mayor Ryan, that Motion 17-114, "Accepting the Proposal from Gallagher Benefit Services, Inc. to Conduct a Classification and Compensation Plan Study," be approved.

City Manager Arneson stated the City sent out a request for proposals for a classification and compensation study in early May of this year and received nine responses. The current compensation system has been in place for almost two decades. The administration staff has reviewed the proposals and recommends Gallagher Benefit Services, Inc. Gallagher's proposed classification and compensation study is designed to ensure that employees are properly compensated in relation to one another as well as looking at similar positions in comparable Minnesota Cities as well as published survey sources in the private sector. It was noted the study will ensure that job descriptions are evaluated for accuracy and thoroughness as this is the whole basis to determine where a position is placed within a classification system.

Councilmember Garvais asked if new job classifications would be considered by the consultant. City Manager Arneson stated this would be completed for new positions that would be created.

Councilmember King questioned why the high bidder was selected for this project. City Manager Arneson reported this bidder was proposing to complete a more thorough report for the City and has a very good list of previous clients. He explained that the HR Department did not have the capacity to complete this task.

Motion adopted unanimously.

OTHER BUSINESS

None.

ADJOURNMENT

Moved by Councilmember King, seconded by Mayor Ryan, to adjourn the meeting at 8:03 p.m.

Dick Swanson, Mayor Pro Tem

ATTEST:

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