



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

10801 Town Square Dr.
Blaine MN 55449

Thursday, December 20, 2012

7:30 PM

Council Chambers

Meeting Number 12-74

1. CALL TO ORDER BY THE MAYOR

The meeting was called to order at 7:30 p.m. by Mayor Ryan followed by the Pledge of Allegiance and the Roll Call.

Quorum present.

ALSO PRESENT: Bryan Schafer, Community Development Director; Bob Therres, Public Services Manager; Joe Huss, Finance Director; Ward Brown, Financial Analyst; Chris Olson, Safety Service Manager/Police Chief; Terry Dussault, Human Resources Director; Roark Haver, Communications Technician; Al Thorp, Senior Engineering Technician; Jane Cross, City Clerk; and Recording Secretary Linda Dahlquist.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: 6 - Mayor Ryan, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, Mayor Pro Tem Kolb and Councilmember Herbst

Absent: 1 - Councilmember Hovland

4. APPROVAL OF MINUTES

4.-1 [MIN 12-40](#)

REGULAR MEETING - 09/20/2012
CLOSED WORKSHOP MEETING - 11/29/2012
WORKSHOP MEETING - 12/06/2012
REGULAR MEETING - 12/06/2012

Sponsors: Cross

Attachments: [Regular Minutes 09/20/2012](#)
[Workshop Minutes 12/06/2012](#)
[Regular Minutes 12/06/12](#)
[Closed Pending Litigation 11/29/2012](#)

Workshop Minutes -9/20/2012

Councilmember Clark questioned the adoption of the Workshop Meeting Minutes of September 20, 2012 without Mr. Richels comments. City Manager Arneson replied copies of the Meeting Minutes and a DVD of the meeting were mailed three weeks ago to Mr. Richel for comment and response. He noted that no response has been received. He stated the Minutes were reviewed by staff and are recorded accurately. He stated Mr. Richel has a factual disagreement with what was stated in the meeting. Councilmember Clark stated the Council should leave open the option for Mr. Richel to submit his objection. City Manager Arneson stated the City mailed a letter to Mr. Richel and he has not responded. Councilmember Clark asked if Mr. Richel can add to the record if the Meeting Minutes are approved. City Attorney Sweeny replied yes, Mr. Richel can write a letter that will be added to the record.

Closed Special Meeting - 11/29/2012

Workshop Minutes - 12/6/2012

Regular Minutes - 12/6/2012

Councilmember Clark requested the following correction to page 4, paragraph 3, “the Kristy’s should have a choice of whether or not to expand their driveway.”

Councilmember Herbst requested the following correction on page 4, paragraph 2, to change the wording “ground surface” to “concrete or black top hard surface.”

Moved by Councilmember Bourke, seconded by Councilmember Swanson, that the Workshop Meeting Minutes of September 20, 2012; the Closed Special Meeting Minutes of November 29, 2012; the Workshop Meeting Minutes of December 6, 2012; and the Regular Meeting Minutes of December 6, 2012; be approved. Motion adopted unanimously.

5. AWARDS - PRESENTATIONS - ORGANIZATIONAL BUSINESS

None.

6. COMMUNICATIONS

Mayor Ryan thanked Anoka County and Law Enforcement for their successful training event held on December 15, 2012.

City Manager Arneson stated the traffic study for the Walmart proposal on Ball Road will not be discussed on January 10, 2013, as previously noticed due to the City receiving a letter from Anoka County. He noted that no application has been received from Walmart.

6.-1 TMP 12-675

Tom Budzinski, TJB Homes, stated TJB is donating \$2,700 to the Blaine Public Safety Association. He announced that for every TJB house that is closed in Blaine in 2013, a contribution of \$200 will be donated to the Blaine Public Safety Association. Jane Daniels stated the association has raised approximately \$20,000 over four years. Kathy Weinbeck stated this donation will be used towards a third dog for the City.

7. OPEN FORUM FOR CITIZEN INPUT

Mayor Ryan opened the Open Forum at 7:47 p.m.

There being no input, Mayor Ryan closed the Open Forum at 7:48 p.m.

8. ADOPTION OF AGENDA

None.

9. 8:00 P.M. - PUBLIC HEARING AND ITEMS SET FOR A CERTAIN TIME

Moved in the agenda to follow agenda item 12.3.

10. APPROVAL OF CONSENT AGENDA:

Approval of the Consent Agenda

Moved by Councilmember Herbst, seconded by Councilmember Swanson that the following items be Approved by Consent Vote. Motion adopted unanimously.

10.-1 [MO 12-153](#)

SCHEDULE OF BILLS PAID

AGREEMENT ANNUAL LICENSING RENEWAL

Sponsors: Peters

Approved unanimously by Consent Vote.

11. DEVELOPMENT BUSINESS

- 11.-1 [RES 12-162](#) GRANTING FINAL PLAT APPROVAL TO SUBDIVIDE 4.26 ACRES INTO TWO (2) LOTS AND ONE (1) OUTLOT TO BE KNOWN AS TWIN TIDES ADDITION AT 1551 & 1525 99th LANE NE AND C.I.C. PLAT APPROVAL TWIN CITY GEAR COMPANY. (CASE FILE NO. 12-0041/LSJ)**

Attachments: [Attachments 12-20-12.pdf](#)

Planning and Community Development Director Schafer stated Twin City Gear (TCG) owns the property on the northwest corner of 99th Lane and Davenport Street. TCG has been negotiating with Green Lights Recycling to purchase part of the unused lot and tenant space in the building. He stated the preliminary plat contains two lots and one outlot. He noted Lot 1 is a little over 3 acres and contains an existing building, parking and drive areas, and a dumpster enclosure. He stated the applicant plans to create a C.I.C. plat for two condo spaces in the building. He noted Lot 2 is 23,963 square feet will also be sold to Green Lights Recycling. He stated Outlot A will remain vacant until it is used or sold to the adjacent property owner.

The owner of Green Lights Recycling, thanked the Council and Twin City Gear for working with them to expand their business in Blaine.

Moved by Councilmember Clark, seconded by Councilmember Bourke, that this Resolution be Adopted. The Motion was adopted unanimously.

- 11.-2 [RES 12-163](#) GRANTING A CONDITIONAL USE PERMIT AMENDMENT THAT WOULD ALLOW TRUCK REPAIR, OUTSIDE STORAGE OF TRUCKS AND 10 SEA-LAND TRAILERS, AND A ZERO LOT LINE (SHARED ACCESS) IN AN I-2A (HEAVY INDUSTRIAL) ZONING DISTRICT AT 8284 WEST I35W SERVICE DRIVE. MIDWEST DIESEL. (CASE FILE NO. 11-30/LSJ)**

Attachments: [Attachments 12-20-12.pdf](#)

Planning and Community Development Director Schafer stated Midwest Diesel is seeking approval to store parts in up to ten sea-land trailers on the back of their site. He stated the business has a conditional use permit for outside storage and this is considered a minor amendment.

A representative from Midwest Diesel, invited the Council to visit the property to see Midwest Diesel's business. Midwest Diesel sells parts worldwide.

Councilmember Clark asked if other businesses in the City use sea-land trailers. Planning and Community Development Director Schafer replied the sea-land trailers are used in heavy industrial zoning businesses.

Moved by Councilmember Swanson, seconded by Councilmember Herbst, that this Resolution be Adopted. The Motion was adopted unanimously.

12. ADMINISTRATION

12.-1 [MO 12-160](#)

RECORDING SECRETARY SERVICE AGREEMENT FOR 2013

Sponsors: Cross

Attachments: [TOSS Cover ltr & 2013 Addendum.pdf](#)
[TOSS Yearly Expenditures.pdf](#)

City Manager Arneson stated TimeSaver Off-site Secretarial Service (TOSS) has recorded minutes for City Council meetings since July 1993. He stated staff sent out a survey in December to various size cities and received 23 responses. He noted the majority of the larger cities use TOSS and the smaller cities use in-house administrative support. He stated that smaller cities have fewer council meetings and workshops per month than larger cities and overall have fewer boards and commissions. He stated currently TOSS records minutes at all City Council meetings, workshops, EDA meetings, Planning Commission, Park Advisory Board, Special Board of Review, and the Natural Resources Conservation Board meetings, and special workshops and special Council meetings as needed. He noted the TOSS Addendum reflects an increase of less than 2.25% to their fees for recording services and it will extend the expiration date to December 31, 2013.

Moved by Mayor Pro Tem Kolb, seconded by Councilmember Bourke, that this Motion be Approved. The Motion was adopted unanimously.

12.-2 [MO 12-161](#)

APPROVAL OF CLASSIFICATION AND SALE OF TAX FORFEIT PROPERTIES WITHIN THE CITY OF BLAINE

Sponsors: Cross

Attachments: [PIN 23-31-23-32-0004 aerial map.pdf](#)
[PIN 23-31-23-32-0004 map.pdf](#)
[PIN 23-31-23-32-0004 VSA.pdf](#)
[PIN 11-31-23-44-0001 & 0005 aerial map.pdf](#)
[PIN 11-31-23-44-0001 & 0005 map.pdf](#)
[PIN 11-31-23-44-0001 VSA.pdf](#)
[PIN 11-31-23-44-0005 VSA.pdf](#)

City Clerk Cross stated the Anoka County Board of Commissioners is commissioned by statute to offer for sale tax forfeit properties in the county. She stated should the City desire to acquire any parcels of land within the City, a request must be filed within sixty (60) days. The County Board will then withhold the parcel or parcels from sale for six (6) months. If the City fails to acquire the property within the withholding period, the County may offer it for sale upon expiration of the withholding period. She stated the City is requesting that the following parcel not be withheld from public sale: PIN#23-31-23-32-0004. She stated the City is requesting that the following parcels be withheld from public sale: PIN# 11-31-23-44-0001 and PIN# 11-31-23-44-0005. She noted there are special assessments on PIN# 23-31-23-32-0004, PIN# 11-31-23-44-0001, and PIN# 11-31-23-44-0005.

Moved by Mayor Ryan, seconded by Mayor Pro Tem Kolb, that this Motion be Approved. The Motion was adopted unanimously.

The Following Item is scheduled for a Second Reading

**12.-3 [ORD 12-2254](#) **AMENDING APPENDIX D - FEE SCHEDULE OF THE
MUNICIPAL CODE OF THE CITY OF BLAINE****

Sponsors: City Manager Arneson

City Manager Arneson stated the annual fee schedule is for the services provided by the City. He stated increases are proposed to park dedication fee and water access fee.

Councilmember Herbst stated he does not want the City to be non-competitive.

Councilmember Swanson clarified the park dedication fee is only for new parks or parks that need major updating.

Moved by Councilmember Swanson, seconded by Mayor Pro Tem Kolb, that this Ordinance be Adopted. The Motion was adopted unanimously.

9.-1 [RES 12-160](#) **ADOPTING 2013 TAX LEVY**

Sponsors: Huss

Mayor Ryan opened the public hearing at 8:11 p.m.

Finance Director Huss stated the Council conducted a public hearing for the proposed 2013 General Fund budget and proposed tax levy on December 13, 2012. He stated a public hearing is being held again tonight for the Council to consider public input and adopt a final levy and budget. He stated the Council will adopt the 2013 tax levy and 2013 General Fund Budget. Finance Director Huss gave an overview of how the City's property taxes are determined. He noted homes valued at \$76,000 and below receive a full 40% exemption, and for every dollar value above \$76,000 the home loses \$9 of its exemption, which reduces the tax base and increases the tax rate, shifting the tax burden from lower valued residential property to higher valued residential and commercial/industrial property. He stated that when the Council approved the preliminary levy, it did not increase the 2012 levy and directed staff to supplement the budget with funds from reserves for 2013. He stated the proposed tax rate for 2013 is 36.642%. He noted Blaine has not had an increase in tax levy since 2009 and Blaine has one of the lowest tax rates in Anoka County.

There being no public input, Mayor Ryan closed the public hearing at 8:12 p.m.

Councilmember Herbst asked about the debt service levy. Finance Director Huss replied the tax levy for debt service is \$9,444 more than 2012.

Moved by Councilmember Swanson, seconded by Councilmember Clark, that this Resolution be Adopted. Motion adopted 4 -2 (Councilmember Kolb and Mayor Ryan opposed).

9.-2 [RES 12-161](#)

ADOPTING THE 2013 GENERAL FUND BUDGET

Sponsors: Huss

Mayor Ryan opened the public hearing at 8:15 p.m.

Finance Director Huss stated the Council conducted a public hearing for the proposed 2013 General Fund budget and proposed tax levy on December 13, 2012. He stated a public hearing is being held again tonight for the Council to consider public input and adopt a final levy and budget. He stated the Council will adopt the 2013 tax levy and 2013 General Fund Budget. He stated the proposed budget includes a Reserve Draw of \$440,000.

There being no public input, Mayor Ryan closed the public hearing at 8:38 p.m.

Councilmember Clark stated the City is balancing the budget by using reserve

dollars for 2013. He stated he is concerned about 2014 and 2015 and that the City cannot continue to deplete the reserve fund. He would like to see the reserve draw cut in half.

Councilmember Swanson clarified the goal of \$100,000 has to be agreed upon by the Council.

Councilmember Clark replied if the Council chooses to change the budget during the year it will take a vote of 5 out of 7 in favor.

Mayor Ryan stated he did not support the levy vote because the City cannot survive on staff retirements and using the reserve fund. He stated residents have not commented on how the City spends tax money because the City is conservative on spending. He stated the City has no EDA funding which is a concern and needs to be addressed. He stated it took the City a long time to accumulate the reserve funds. He stated the people rely on the City for services

Councilmember Swanson stated he is reluctantly supporting the proposed budget. He stated the City has cut the budget as much as possible and he will not support any further amendments.

Councilmember Herbst stated he supports the amendment and the proposed budget. He believes more trimming of the budget can be accomplished. He also believes the economy will turn within the next two years. He stated the City runs a prudent/tight ship and the Council and Mayor do a great job.

Councilmember Bourke asked for clarity on the \$440,000 reserve draw. Councilmember Clark replied he supports the reserve draw and the goal for an additional \$100,000 in spending cuts. He noted that the cuts made for 2013 and expenses that appear in 2014.

Councilmember Bourke stated he is not supporting the reserve draw.

Councilmember Kolb stated she is not supporting the amendment.

Mayor Ryan stated staffing is down and the City needs people in order to provide services.

Councilmember Herbst stated the Council will review the budget further to remove an additional \$100,000.

Councilmember Bourke clarified the amendment needs a 5 out of 7 vote.

Councilmember Swanson stated he will not support an additional reduction of \$100,000. He asked what would happen if a budget is not passed tonight. City Manager Arneson replied the budget would revert to the 2012 budget.

Councilmember Bourke stated he does not agree with removing the \$100,000.

Councilmember Clark stated he will not support the budget with the current reserve draw.

Mayor Ryan stated the Council reviewed all budgeting areas and did not find an area to cut additional funds. He reminded the Council that the City staff is down by 20 employees.

Councilmember Herbst clarified if the budget is not approved tonight it reverts back to the 2012 budget which has a larger reserve draw.

Councilmember Kolb stated she does not support the budget and does not support the amendment. She stated the levy should have been raised to compensate for the shortfall instead of using the reserve fund.

City Attorney Sweeney stated the budget would pass by a vote of 4 in favor.

City Manager Arneson clarified if the Council does not approve a budget tonight the budget would revert to the last adopted preliminary budget from September, which has a \$500,000 reserve draw.

Councilmember Bourke asked if mandates would be set in order to find an additional \$100,000 in budget cuts. Councilmember Clark stated milestones will be created.

Councilmember Kolb commented assumption based budgeting is a good process to use; although this budget was not the result of using that process.

Mayor Ryan commented it would have been better to have had more discussion on the budget reserve fund during the levy discussion.

Moved by Councilmember Clark, seconded by Councilmember Herbst that Resolution 12-161, "Adopting the 2013 General Fund Budget be amended to add a goal for the City Council and the City Manager through the use of assumption based budgeting that an additional \$50,000 in budget reductions be identified by the end of first quarter 2013 and an additional \$50,000 by the end of second quarter 2013. The motion passed by the following vote:

Aye: 4 - Councilmember Swanson, Councilmember Clark, Councilmember Bourke and Councilmember Herbst

Nay: 2 - Mayor Ryan and Mayor Pro Tem Kolb

12.-4 [MO 12-148](#)

**JOINT POWERS AGREEMENT BETWEEN ANOKA
COUNTY AND THE MUNICIPALITIES, TOWNSHIPS AND
SCHOOL DISTRICTS IN ANOKA COUNTY TO**

ALLOCATE COSTS FOR ELECTIONS

Sponsors: Cross

Attachments: [Memorandum RE JPA Elections.pdf](#)
[Proposed Fees RE JPA Elections.pdf](#)
[JPA for Election Expenses Final Draft.pdf](#)

City Clerk Cross stated the Joint Powers Agreement is with Anoka County for the purchase of new voting equipment and software. She stated the costs will be shared over ten years among all the cities based on population in Anoka County.

Mayor Ryan asked if the equipment can be adapted for voter identification. City Clerk Cross stated the equipment has an electronic pull book feature. She stated the equipment would be purchased early in 2013 and will be tested before the elections in 2014.

Mayor Ryan asked what happens to the old equipment. City Clerk Cross replied the equipment is obsolete and she does not know what will happen to the old equipment.

Moved by Mayor Ryan, seconded by Councilmember Herbst, that this Motion be Approved. The Motion was adopted unanimously.

12.-5 [RES 12-164](#)

ADOPTING THE 2013 WATER AND SEWER UTILITY ENTERPRISE FUND BUDGETS

Sponsors: Huss

Attachments: [2013 Water Fund Budget](#)
[2013 Sewer Fund Budget](#)

Finance Director Huss stated the Water Utility Fund's operations had an exceptional 2012 year in water sales and the fund is expected to generate positive net operating income. He stated revenues from water sales are above budget and operating revenues have increased which reflect trends over the last three years. He stated operating expenditures other than depreciation are budgeted to increase for 2013 and the Capital activity's debt service payments are scheduled for 2013. He stated the major capital activity includes funds for the first phase of construction of two new wells.

Moved by Mayor Pro Tem Kolb, seconded by Councilmember Herbst, that this Resolution be Adopted. The Motion was adopted unanimously.

12.-6 [RES 12-165](#)

ADOPTING THE 2013 SANITATION UTILITY ENTERPRISE FUND BUDGET

Sponsors: Huss

Attachments: [2013 Sanitation Fund Budget](#)

Finance Director Huss stated 2013 Sanitation Fund Budget includes an increase of \$1.50 per quarter for all residential properties due to an increase in dumping fees and the elimination of the subsidy.

Moved by Councilmember Swanson, seconded by Councilmember Bourke, that this Resolution be Adopted. The Motion was adopted unanimously.

12.-7 [RES 12-166](#)

ADOPTING THE 2013 STORM WATER UTILITY ENTERPRISE FUND BUDGET

Sponsors: Huss

Attachments: [2013 Storm Water Fund Budget](#)

Finance Director Huss stated the 2013 Storm Water Utility Enterprise Fund Budget includes a fee increase of \$1.00 per quarter. He stated the increase will provide for long-term viability of the fund and to manage the City's storm water.

Councilmember Herbst stated he supports the increase in order to use the funding to clean culverts and improve/maintain infrastructure.

Mayor Ryan stated staff has a good long-range maintenance plan.

Councilmember Bourke stated he supports the increase and wants the staff to tackle the larger projects.

Moved by Mayor Ryan, seconded by Councilmember Herbst, that this Resolution be Adopted. The Motion was adopted unanimously.

12.-8 [RES 12-167](#)

APPROVE PROPOSAL FOR FACILITY MANAGEMENT SERVICES FOR BLAINE CITY HALL FROM McGOUGH FACILITY MANAGEMENT

Public Services Manager stated an RFP for facility management services was published for the Blaine City Hall. He stated the City received two proposals and recommends the Council accept the proposal from McGough Facility Management.

Moved by Councilmember Clark, seconded by Mayor Ryan, that this Resolution be Adopted. The Motion was adopted unanimously.

12.-9 [RES 12-168](#)

ACCEPT BID FROM CLASSIC PROTECTIVE COATINGS, INC. IN THE AMOUNT OF \$272,300 FOR WATER TOWER

NO. 3 RECONDITIONING (IMPROVEMENT PROJECT NO. 12-12)

Sponsors: Therres

Attachments: [location map.pdf](#)

Public Services Manager Therres stated the City received five bids for the Water Tower No. 3 Reconditioning Improvement Project. He stated recommends the Council accept the proposal from Classic Protective Coatings.

Moved by Councilmember Herbst, seconded by Councilmember Bourke, that this Resolution be Adopted. The Motion was adopted unanimously.

12.10 [MO 12-162](#)

APPROVING 2013 COMPENSATION PLAN

Sponsors: Human Resources Director Dussault

Attachments: [2013 Comp Plan](#)

Human Resources Director Dussault stated the compensation plan includes a 2% increase in wages and a \$30 increase for public works and nonunion staff, and \$20 increase for insurance for the Police.

Mayor Ryan stated this increase will equal the nonunion with the union staff.

Councilmember Bourke asked for the total dollar amount of the increase. Finance Director Huss replied approximately \$150,000.

Councilmember Herbst commented the Council needs to review salaries and develop a merit pay plan.

Moved by Mayor Pro Tem Kolb, seconded by Mayor Ryan, that this Motion be Approved. The Motion was adopted unanimously.

13. OTHER BUSINESS

Moved by Councilmember Swanson, seconded by Mayor Ryan, to authorize the City Manager to create a budget intern with compensation not to exceed \$15,000 from the approved 2013 budget.

Councilmember Kolb stated the City of Blaine sends sympathy and support to the residents of Newtown, Connecticut. She noted Blaine's schools are not

prepared for an emergency situation of this type.

City Manager Arneson stated City Hall will be closed at noon on December 24, 2012.

14. ADJOURNMENT

Moved by Councilmember Herbst, seconded by Councilmember Bourke, that this meeting be Adjourned. The Motion was adopted unanimously. The meeting adjourned at 9:15 p.m.