

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Wednesday, November 13, 2019

6:30 p.m.
Cloverleaf Farm Room
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 7:00 p.m.

ROLL CALL

PRESENT: Mayor Tom Ryan, Councilmembers Andy Garvais, Richard Paul, Jess Robertson, and Dick Swanson.

ABSENT: Councilmembers Wes Hovland and Julie Jeppson.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Public Services Manager/Assistant City Manager Bob Therres; Budget/Fiscal Analyst Ward Brown; Communications Technician Roark Haver; Fire Chief Charlie Smith; and City Clerk Catherine Sorensen.

3.1 2020 Government Relations Contract with Lockridge Grindal Nauen.

City Manager Wolfe stated the city has retained the law firm of Lockridge Grindal Nauen P.L.L.P. (LGN) and its government relations team since 2016. The firm assisted with the legislative bonding request for 105th Avenue in 2016 and 2017. For the years 2018 and 2019 the firm assisted with the planning efforts and strategy for a state bonding request for a public safety training facility and assisted in advocacy of the TH65 infrastructure improvements. As staff prepares for a new 2020 agreement, input is desired to confirm the areas of focus for the firm as they advocate for the city. The current contract states that the firm will “assist the City of Blaine in advocacy of Highway 65 infrastructure improvements and general state lobbying services for the City of Blaine as requested.” Staff requests input from City Council as to whether there are any additional areas of focus that should be identified to the firm. The total project fee for 2019 was \$36,000.

Councilmember Swanson recommended the firm research Local Government Aid (LGA) along with a potential sales tax for the National Sports Center (NSC).

Councilmember Robertson stated she was not bothered by the fact the City of Blaine did not receive LGA because this meant the City was doing well financially.

Councilmember Swanson believed the residents of Blaine were not being treated fairly given the fact all other surrounding communities were receiving LGA. Finance Director Huss discussed how the LGA program was designed to equalize State sales tax proceeds. He commented further on the amount of sales tax the City of Blaine generates on a yearly basis compared to neighboring communities.

Councilmember Paul discussed how LGA was used to benefit cities in the State and how it impacted bonding.

Councilmember Garvais supported the Council discussing a potential tax and would like to see this focused on the people coming into the City for large events and not having the tax for Blaine residents. Ms. Wolfe recommended the firm be asked to continue to work on the Highway 65 and Public Safety Training Facility, and to monitor activity as it relates to the NSC and Airports Commission.

Further discussion ensued regarding the dollars the NSC would be asking for in the upcoming bonding bill.

Councilmember Robertson stated she would like to better understand what the City was getting for the lobbying dollars. She commented Highway 65 needs to be a top priority for the lobbying firm and suggested the lobbyist attend a future City Council meeting.

Councilmember Garvais indicated he would like to see the lobbyist approach Highway 65 with a grassroots approach in order to gain the support of all cities involved in the project.

Councilmember Swanson encouraged the City Council to consider creating another funding or revenue source in the future because at some point the City is going to stop growing.

Councilmember Robertson stated she believed a ticket tax would be too impactful. She believed the future of the City would be through increased commercial and industrial growth and she feared increased sales tax may force some residents out of the City.

Ms. Wolfe stated she would speak with the lobbyist to attend a future Council workshop.

3.2 2020 General Fund Budget Update.

Mr. Huss stated on September 16, Council adopted the preliminary General Fund Budget and Tax Levy for Certification to the County. The proposed expenditure budget totaled \$34,642,830 and included a "safe margin" of revenues exceeding expenditures totaling \$252,770. Staff explained the total adopted preliminary tax levy was \$32,050,000 and discussed how the funds were allocated. At this point, the City has received no updates from Anoka County regarding market value estimates and other tax-base related information. Thus, the estimated combined overall tax rate for 2020 remains at the target rate of 36.812%. Staff commented further on the 2020 General Fund Budget and requested comments or questions from the Council.

Councilmember Garvais commented on the staffing model for the Police Department and requested further information. Mr. Huss stated the City had a good plan in place for the Police Department given the City's current growth rate. He indicated the Police Department and Public Works Department had good models in place to address the projected growth in the City. He explained the City's administrative staffing model may still need to be further considered. He anticipated the Council would be discussing the City's strategic plan at the upcoming retreat.

Mayor Ryan requested further comment regarding the Fire Department's staffing model. Fire Chief Smith discussed the staffing model in further detail with the Council and reported Fire Educator Becky Booker would be retiring in December and the plans to backfill the position.

The Council supported the Fire Educator position being an FTE and supported additional resources for GIS.

Councilmember Robertson questioned why administration costs were higher in 2020. Mr. Huss stated 2020 was an election year, which meant expenses would be higher.

Mr. Huss reported he would make adjustments to the budget per the Council's discussion and explained the Truth In Taxation hearing would be held on Monday, December 9.

3.3 2020 Proposed Budgets – Water Utility Fund; and Sanitary Sewer Utility Fund.

Mr. Huss stated as part of the City's comprehensive budgeting process, staff will be presenting preliminary budgets for two enterprise utility funds. Staff presented the Water Utility Fund and Sanitary Sewer Utility Fund to the Council and requested comment from the Council on the proposed budgets before adoption later in the year. It was noted Blaine's water rates were the lowest when compared to surrounding communities of comparable size. He commented further on the water and sanitary sewer budgets and requested comments or questions from the Council.

Councilmember Garvais asked when the new water treatment plant would come online. Public Works Director Haukaas reported the plant would open May 2021 and be fully operation Fall 2021. He commented further on the City's SCADA systems and how they have revolutionized water maintenance. He discussed the software integration and security measures that were in place within the SCADA system.

Councilmember Robertson questioned what was included in contractual services. Mr. Haukaas stated this included equipment rental or contractors that assisted the City with larger projects.

Councilmember Robertson inquired if it was necessary to purchase two new utility trucks in 2020. Mr. Haukaas reported these two vehicles were within the City's replacement plan and both of these vehicles had very high usage and high mileage. He explained the existing vehicles would be cycled down into another department.

The Council thanked staff for the thorough report.

OTHER BUSINESS

Councilmember Garvais reported he would not be able to attend the Council retreat.

Community Development Director Thorvig provided the Council with an update on the Highway 65 frontage road.

Mayor Ryan discussed the Veterans Day ceremony held at the Blaine High School and stated this was a tremendous event.

Councilmember Robertson agreed and thanked all who were involved in planning this great community event.

The Workshop was adjourned at 8:55 p.m.

Tom Ryan, Mayor

ATTEST:

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