



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

10801 Town Square Dr.  
Blaine MN 55449

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Thursday, December 15, 2011

7:30 PM

Council Chambers

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**Meeting No. 11-69**

**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: City Manager Clark Arneson; City Attorney Thomas Sweeney; Bryan Schafer, Community Development Director; Bob Therres, Public Services Manager; Joe Huss, Finance Director; Mike Ulrich, Public Works Director; Terry Dussault, Human Resources Director; Roark Haver, Communications Technician; Al Thorp, Senior Engineering Technician; Jane Cross, City Clerk; and Recording Secretary Linda Dahlquist.*

**Present:** 7 - Mayor Ryan, Councilmember Hovland, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, Councilmember Kolb and Councilmember Herbst

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**4. APPROVAL OF MINUTES**

**TMP 11-0246**

**WORKSHOP MEETING - 12/01/2011**  
**REGULAR MEETING - 12/01/2011**  
**CLOSED MEETING - 12/01/2011**

**Sponsors:** Cross

**Attachments:** [Workshop Minutes 12/1/2011](#)  
[Regular Minutes 12/01/11](#)  
[Closed Labor Negotiation 12/01/11](#)

*Councilmember Clark questioned the corrected Meeting Minutes. City Clerk Cross responded the Council had received the wrong set of Meeting Minutes for this meeting.*

*Motion adopted 5-0-2 (Councilmember Bourke abstained due to his absence. Councilmember Hovland abstained due to his absence.)*

Moved by Councilmember Herbst, seconded by Councilmember Kolb, that these Minutes be Approved. The Motion was adopted unanimously.

**5. AWARDS - PRESENTATIONS - ORGANIZATIONAL BUSINESS**

*None.*

**6. COMMUNICATIONS**

*None.*

**7. OPEN FORUM FOR CITIZEN INPUT**

*Mayor Ryan opened the open forum at 7:37 p.m.*

*Cathy Harrison, 4620 107th Avenue NE, Circle Pines, stated she came to thank the Councilmembers Kolb, Swanson, Hovland and Clark for attending the Blaine's Citizens for Smart Growth meeting last night. She commented there were close to 70 residents in attendance.*

*Councilmember Clark commented State Representatives Tim Sanders and Robin West were in attendance at the meeting as well.*

*Councilmember Kolb stated the meeting was well organized and respectful.*

*There being no further input, Mayor Ryan closed the open forum at 7:39 p.m.*

**8. ADOPTION OF AGENDA**

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

**9.1 [ORD 11-2237](#) AMENDING ORDINANCE NO. 11-2231, ADOPTING A FEE SCHEDULE FOR THE CITY OF BLAINE AS APPENDIX D OF THE MUNICIPAL CODE OF THE CITY OF BLAINE**

**Sponsors:** City Manager Arneson

**Attachments:** [2012 Fee Schedule](#)

*Moved to follow agenda item 12.3.*

**9.2 [RES 11-0163](#) RESOLUTION ADOPTING 2012 TAX LEVY**

**Sponsors:** Huss

*Moved to follow agenda item 12.3.*

**9.3 [RES 11-0164](#) RESOLUTION ADOPTING THE 2012 GENERAL FUND BUDGET**

**Sponsors:** Huss

*Moved to follow agenda item 12.3.*

**10. APPROVAL OF CONSENT AGENDA:**

**10.1 [MO 11-0037](#) SCHEDULE OF BILLS PAID**

**Sponsors:** Huss

**Attachments:** [12/02/11 BILLS PAID](#)

*Councilmember Herbst requested the removal of agenda item 10.3.*

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

**Aye:** 7 - Mayor Ryan, Councilmember Hovland, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, Councilmember Kolb and Councilmember Herbst

**10.2 [MO 11-0038](#) APPROVE 2012 ANNUAL LICENSE RENEWALS**

**Sponsors:** Cross

**Attachments:** [2012 Annual Business License Renewal List](#)

**10.4 [ORD 11-2236](#) VACATION OF REAR DRAINAGE AND UTILITY EASEMENT FOR LOT 12, BLOCK 1, THE SANCTUARY 5TH ADDITION, VACATION NO. V11-06 CHAPTER 193**

**Sponsors:** Keely

**Attachments:** [Map](#)

**Adopted with consent agenda.**

**10.5 [MO 11-0040](#) APPROVE THE 2012 PAWNBROKER/SECONDHAND GOODS DEALER LICENSE RENEWAL**

**Sponsors:** Cross

**10.3 [MO 11-0039](#) APPROVE 2012 TOBACCO AND TOBACCO PRODUCTS LICENSE RENEWALS**

**Sponsors:** Cross

**Attachments:**     [2012 Tobacco business list](#)

*Councilmember Herbst asked if all tobacco sellers were contacted. City Clerk Cross responded all tobacco sellers were notified. She stated the City made numerous attempts to contact one business, but there was no response and the staff believes the business is no longer selling tobacco. She stated one business had closed and a CSO traveled to the location to verify the closure of the business.*

*Motion adopted 6-0-1 (Councilmember Hovland abstained because his son works for MGM).*

**Moved by Councilmember Herbst, seconded by Councilmember Swanson, that this Motion be Approved.**

**11.     DEVELOPMENT BUSINESS**

*None.*

**12.     ADMINISTRATION**

**12.1A   [RES 11-0166](#)**

**GASB 54 IMPLEMENTATION - COMMITTING SPECIFIC  
REVENUE SOURCES IN SPECIAL REVENUE FUNDS**

**Sponsors:**     Huss

*Finance Director Huss stated the Governmental Accounting Standards Board (GASB) has issued Standard No. 54, a new reporting standard regarding fund balance and special revenue fund. GASB 54 requires implementation for the City's 2011 financial statements. Implementation of GASB 54 requires fund balances to be categorized as Non-spendable, Restricted, or Unrestricted. If Unrestricted, fund balances would be further classified as Committed, Assigned, or Unassigned. The resolution ensures that GASB 54 requirements are met and allows staff to assign fund balances to their proper category. Two Council actions are needed: (1) Adoption of a fund balance policy for the General Fund; and (2) Adoption of a resolution that properly categorizes fund balance, establish flow assumptions, and delegates authority to assign fund balances to the proper category in the City's special revenue funds.*

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

**12.1B   [MO 11-0041](#)**

**ADOPTING A FUND BALANCE POLICY FOR THE  
GENERAL FUND**

**Sponsors:**     Huss

**Attachments:**     [Fund Balance Policy](#)

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

**12.2    [MO 11-0042](#)**

**RECORDING SECRETARY SERVICE AGREEMENT  
FOR 2012**

**Sponsors:** Cross

*City Clerk Cross stated in May 2007 a recording secretary service agreement with TimeSaver Off-Site Secretarial Service (TOSS) was approved. Each year an addendum to the annual agreement is submitted for Council's approval and the City Manager's signature. The addendum shows no rate increase for 2012.*

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

12.4 [RES 11-0168](#)

### RESOLUTION REQUESTING NO CHANGE IN FISCAL DISPARITIES

**Sponsors:** City Manager Arneson

*Mayor Ryan stated at the Metro Mayors meeting, a discussion on the good and the bad of the Fiscal Disparities program. He stated every city supports the resolution.*

*City Manager Arneson stated the current Fiscal Disparities program is beneficial to the residents and without the program the residents would pay an additional \$200 in taxes per home.*

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

12.5 [RES 11-0169](#)

### ADOPTING THE 2012 WATER AND SEWER UTILITY ENTERPRISE FUND BUDGETS

**Sponsors:** Huss

**Attachments:** [2012 Water Fund Overview](#)  
[2012 Sewer Fund Overview](#)

*Finance Director Huss stated the Council reviewed the 2012 proposed budgets for the Water and Sanitary Sewer Funds at the Workshop on December 8. He stated there are no adjustments to the fee schedule for sewer and water. He recommended the Council adjust the Water Access Charge (WAC) by 2% pursuant to the Capital Improvement Plan.*

*Councilmember Herbst stated it is good that the City is able to maintain the water and sewer rates as in previous years.*

*Councilmember Swanson asked for a breakdown of the capital projects for 2012. City Manager Arneson responded capital projects for the water utility fund include construction of two new wells. He stated capital projects for the sewer fund include continuing the slip-lining program, and lift station rehabilitation and improvements. Councilmember Bourke stated rates and services have been maintained.*

*Councilmember Hovland asked about the timeline for the slip-lining program. Public Services Manager Therres responded the slip-lining program for residential areas was completed in four years. He stated the City will move into slip-lining the commercial/industrial areas, which is anticipated to take until 2014 to complete.*

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

12.3 [RES 11-0167](#)**APPROVING THE 2012 COMPENSATION PLAN**

**Sponsors:** Human Resources Director Dussault

**Attachments:** [2012 Comp Plan](#)

*City Manager Arneson stated the resolution provides the mileage reimbursement rate established by the IRS; and provides for non-union personnel: a 1.0% wage adjustment/cost of living increase and insurance for full-time staff. He stated no new positions will be added.*

*Mayor Ryan asked if the mileage rate is changed more than once a year. City Manager Arneson responded the City follows the IRS mileage rate.*

*Human Resources Director Dussault stated the Compensation Plan includes a 1.0% wage increase and 30% increase in insurance for non-union staff. Also the plan includes payment for mileage rate that is established by the IRS.*

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

**13. OTHER BUSINESS**

*Councilmember Hovland stated when the City goes outside for bids, cost savings are achieved. City Manager Arneson stated the City does seek bids through the Request for Proposal process. Councilmember Hovland referred to the TimeSaver contract not being bid.*

*The City Council wishes happy holidays to the citizens of Blaine.*

*Councilmember Clark stated at the neighborhood meeting, the below questions were raised from the residents. He requested City staff research and report back to the Council:*

- *How many city streets will have traffic volumes over 10,000 vehicles per day?*
- *Is Ball Road a collector road?*
- *What is the status of the ditch on Erskine? Periodic flooding has been reported.*
- *What is the cost of doing an independent traffic study? Do the residents have the ability to require a study.*
- *What is the tax gain on the new Walmart site? What is the tax loss on the old Walmart site?*
- *Does the north entrance also serve as the customer entrance? Is there only one entrance?*
- *How many Walmart and Target stores are this close to residential?*
- *What is the impact of traffic at the intersection and what is the impact on Fleet Farm?*

*Councilmember Swanson stated the residents have concerns about drainage issues and run off.*

*Councilmember Bourke stated residents are concerned about the accessibility from the homes on Ball Road and pedestrian traffic.*

*Councilmember Kolb stated most of the children in the area walk to school (less than a mile from school).*

*Mayor Ryan thanked the Fire Department, Police Department, and Park's*

*Department for their excellent holiday celebrations.*

[ORD 11-2237](#)

**AMENDING ORDINANCE NO. 11-2231, ADOPTING A FEE SCHEDULE FOR THE CITY OF BLAINE AS APPENDIX D OF THE MUNICIPAL CODE OF THE CITY OF BLAINE**

**Sponsors:** City Manager Arneson

**Attachments:** [2012 Fee Schedule](#)

*Mayor Ryan opened the public hearing at 8:02 p.m.*

*City Manager Arneson stated this is the annual fee schedule for the City and upon approval the fees will be implemented for Blaine's services for 2012. He stated the annual fee for pawn brokers will be reduced from the current fee. He stated the water and sewer fees are now included on the fee schedule. He stated there will be fee increases for non-resident parking pass at the Lakeside Beach and reimbursable Blaine police service for non-residential events.*

*Mayor Ryan asked for clarification on the reimbursable police services on a premium holiday. City Manager Arneson responded reimbursable police service is a three hour minimum shift for an officer on a premium holiday such as Christmas day.*

*Councilmember Swanson asked if the officers are off duty. City Manager Arneson stated yes the officer is off duty and paid by a private entity.*

*Councilmember Kolb stated she will support the motion, but disagrees with raising the Lakeside Commons fee. She stated the Council has not reviewed the 2011 statistics to determine if the fee needs to be raised and by how much.*

*City Manager Arneson stated Lakeside Beach statistics will be reviewed at a workshop in January.*

*Mayor Ryan stated people from other cities like to use the Lakeside Beach.*

*Councilmember Herbst commented the fee is only for non-residents.*

*There being no public input, Mayor Ryan closed the public hearing at 8:06 p.m.*

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

[RES 11-0163](#)

**RESOLUTION ADOPTING 2012 TAX LEVY**

**Sponsors:** Huss

*Mayor Ryan opened the public hearing at 8:07 p.m.*

*Finance Director Huss stated the Council conducted a public Truth in Taxation hearing for the proposed 2012 General Fund budget and proposed property tax levy on December 8. Pursuant to statutory requirements, a public hearing is scheduled for tonight to consider public input and adopt a final levy and budget.*

*There being no public input, Mayor Ryan closed the public hearing at 8:11 p.m.*

*Councilmember Herbst stated compared to other cities; Blaine's taxes are lower and*

*offers residents a lot of amenities and services.*

*Mayor Ryan commented the Record newspaper needs to print facts. He commented the two local newspapers do a good job. City Manager Arneson responded an information piece will be published in the local newspapers.*

*Councilmember Herbst stated Anoka County lowered the taxes and Blaine lowered taxes a little more.*

*Councilmember Swanson stated the Council has put a lot of time in reviewing the tax levy. He stated the tax change that was made this year is from a market rate to a tax rate.*

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

**RES 11-0164**

**RESOLUTION ADOPTING THE 2012 GENERAL FUND  
BUDGET**

**Sponsors:** Huss

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

*Finance Director Huss stated the 2012 budget guidelines are to maintain current services and keep taxes low. He stated the general fund revenue has been declining since 2009. He stated the general fund is funded by property taxes. He stated in 2011, expenditures were cut and staff was reduced by fifteen full-time employees. He stated a small increase in fuel cost expenditures is expected for 2012. He stated the 2012 budget brings structural balance to the City.*

*Councilmember Herbst asked about the fuel cost and if the City can pre-buy fuel. Finance Director Huss responded the City pays upon delivery. He stated the City commits to purchasing a specific amount.*

*Councilmember Herbst asked about the term of the contract and if the fuel is used completely. Finance Director Huss responded the contract is for 13 months and the City's fuel commitment is fulfilled.*

*Mayor Ryan stated some of the bigger contractors' contract with a refinery and hire trucks to ship the fuel. Finance Director Huss responded the fuel contract is for any entity who wants to contract which gives leverage to the buyers.*

*Councilmember Bourke stated the City is in good financial position. Finance Director Huss responded when Anoka County reports the new tax rates, it will give the City the information needed to base the 2013 tax levy.*

*Councilmember Herbst talked about the second year tax increase on new homes and commented on how services have been maintained with fewer City staff.*

*Mayor Ryan asked when the Council will have a planning and bonding meeting. City Manager Arneson responded a meeting will be scheduled for early January.*

*There being no public input, Mayor Ryan closed the public hearing at 8:28 p.m.*

*Finance Director Huss stated all Council members will need to sign the proposed budget.*



*Councilmember Clark commented he does not like the budget because this budget does not give the property owners the tax relief they deserve. He stated he will support the motion, but asked the Council to look closely at the budget assumptions that drive the budget.*

*Councilmember Bourke stated a survey is being developed and asked the citizens to participate in the survey.*

*Mayor Ryan stated this budget is good.*

**Moved by Councilmember Herbst, seconded by Mayor Ryan, that this Resolution be Adopted. Council Member Herbst requested a roll call vote. The motion passed by the following vote:**

**Aye:** 7 - Mayor Ryan, Councilmember Hovland, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, Councilmember Kolb and Councilmember Herbst

## **OTHER BUSINESS (continued)**

*Mayor Ryan stated at the Metro Mayors meeting last night, the group set up a legislative agenda with twelve items. He stated the Governor was in attendance and discussion took place on city mandates, bringing businesses to Minnesota and completing Highway 610.*

## **14. ADJOURNMENT**

**Moved by Councilmember Herbst, seconded by Councilmember Kolb, that this meeting be Adjourned at 8:45 p.m. The Motion was adopted unanimously.**

**Aye:** 7 - Mayor Ryan, Councilmember Hovland, Councilmember Swanson, Councilmember Clark, Councilmember Bourke, Councilmember Kolb and Councilmember Herbst