

## UNAPPROVED

CITY OF BLAINE  
ANOKA COUNTY, MINNESOTA  
CITY COUNCIL WORKSHOP  
Thursday, November 8, 2018

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

### CALL TO ORDER

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

### ROLL CALL

**PRESENT:** Mayor Tom Ryan, Councilmembers Dave Clark, Andy Garvais, Wes Hovland, Julie Jeppson, and Dick Swanson.

**ABSENT:** Jason King.

Quorum Present.

**ALSO PRESENT:** City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Economic Development Coordinator Erik Thorvig; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Attorney Patrick Sweeney; Senior Engineering Technician Jason Sundeen; Water Resources Manager Rebecca Haug; and Human Resources Director Dussault.

### 3.1 Vacation and Sick Leave Policy.

Human Resources Director Dussault explained City Manager Arneson formed a committee of management level employees to determine if Blaine was competitive in terms of compensation to other metro area cities of similar demographics. He also asked that the committee examine the City's flexibility to deal competitively during the hiring process when recruiting management level staff. The Committee, chaired by Finance Director Huss, met several times and proposed several changes to the Vacation and Sick Leave Policy. The changes were reviewed with the Council and staff requested feedback on how to proceed.

Mr. Arneson commented on the importance of the City remaining competitive in order to have the very best employees.

Councilmember Jeppson stated she supported an increase in the vacation time and asked if the Committee had considered removing sick leave all together. Mr. Dussault stated this action concerned him because it was important to have sick leave available in the event of employee illness.

Councilmember Garvais explained he supported the majority of the recommendation except awarding lump sums to new employees and suggested a cap be placed on a lump sum payout. He questioned if the vacation accrual amount was properly set. Mr. Arneson stated this was something staff could look at.

Mayor Ryan indicated he supported the proposed policy and commented on the importance of the City taking care of its employees.

Councilmember Garvais suggested staff use the State of Minnesota as its benchmark.

Councilmember Hovland cautioned the City from front-loading its benefits too heavily.

Council consensus was to direct staff to review the items discussed and report back at a future meeting.

### 3.2 2019 General Fund Budget Update.

Mr. Huss reported since the adoption of the preliminary 2019 General Fund Budget in September, three adjustments have been incorporated into the expenditure portion of the 2019 budget. The overall effect of these adjustments would result in a net decrease in expenditure appropriations of \$5,000, thereby increasing the fund's 2019 safe margin to \$117,950. A brief summary of the 2019 EDA budget was provided. The adjustments were reviewed in further detail with the Council and staff requested feedback on how to proceed.

Councilmember Clark encouraged the City take better care of its medians.

Council consensus was to direct staff to proceed with the 2019 General Fund Budget.

### 3.3 Establishing an Internal Service Fund for Facilities Management.

Mr. Huss stated at the October 18 City Council Workshop, staff introduced the concept of establishing an internal service fund for managing its public buildings. As time for discussion was limited, the Council asked that the discussion be continued at a future workshop. As part of the City's efforts to stabilize its General levy and provide a mechanism for ensuring long-term funding of facilities improvements is in place, staff is recommending the implementation of a new fund to account for Facilities Management. The new fund would be an Internal Service Fund and used to account for the financing of goods and services provided by one department or activity to other departments or activities of the government on a cost reimbursement basis. The City's five-year plan was reviewed and staff noted a portion of the Public Works Facility roof was in need of replacement.

Councilmember Hovland asked if there would be a cap on this fund. Mr. Huss explained the Council would have to make this decision.

Mayor Ryan stated he supported the City having an internal service fund for Facilities Management.

Councilmember Jeppson agreed and noted this fund would assist the City in being more transparent with its building maintenance purchases.

Councilmember Clark asked how the proposed internal service fund would be funded. Mr. Huss described how the fund would be made operational and reported each department would be allocating funds to this fund.

Councilmember Garvais expressed concern with how the City would be ensuring that the dollars set aside for each department would be properly spent within each department.

Councilmember Clark requested further information on how each department budget would be impacted by the new internal fund. Mr. Huss discussed this matter with the Council noting how budgets would be impacted. He reported this fund would operate much like a utility fund. Further discussion ensued regarding how the City would accrue a balance in this fund to meet facility maintenance needs.

Councilmember Clark stated at this time he would not be able to support this fund. He believed the fund would be too difficult for the public to understand and could be perceived to be a back door for more taxes.

Mayor Ryan stated technically this was a fund the City should have established 15 years ago when the new City Hall building was constructed.

Council consensus was to direct staff to bring this matter back before the Council for further consideration.

### 3.4 Price of Credits for Site 7.

Water Resources Manager Haug stated staff has been informed that the first 15% (approximately 12 acres) of the wetland credits at Site 7 in the Blaine Wetland Sanctuary should be available in the next month. Staff has received inquiries as to what price the credits will be sold at. The current market rate average is \$1.85 per square foot, highest sold is \$2.50 per square foot. Staff's recommendation would be to sell the credits between \$2.00 - \$2.50 per square foot depending on the amount of credits being purchased, higher rate for less credits and lower rate for larger credit purchases. For example, the City could charge \$2.50 per square foot for any purchase under two acres; \$2.25 per square foot for any purchase between two to five acres; and \$2.00 per square foot for anything over 5 five acres. The market does fluctuate so prices may need to vary but these prices will be consistent with the expectation the City had of the bank bringing in approximately \$7 million for the maintenance of the City's Open Spaces.

Councilmember Clark requested further information regarding the filling in of wetlands. Ms. Haug described the process that had to be followed to properly fill wetlands.

Councilmember Hovland asked how many wetland credits the City was selling on an annual basis. Ms. Haug explained the City was selling zero wetlands credits and noted this was being done by the EDA. Planning and Community Development Director Schafer estimated the City sold 18 to 19 acres of wetland credits in the past year.

Councilmember Clark questioned what price was being charged for these wetlands. Mr. Schafer stated the wetland credits were generally being sold for \$2.00 per square foot.

Councilmember Garvais was of the opinion \$2.00 per square foot was too low.

Councilmember Jeppson asked if the sale of these credits were contingent upon clear cutting. Ms. Haug reported the tree removal still had to occur.

Councilmember Clark suggested the price for the credits be set at \$2.50 per square foot and the rate be negotiated from there. He explained the value of these credits will only increase over time.

Mayor Ryan recommended the cost for all future maintenance of the trail be considered in the sale price.

### 3.5 Site 7 Updates.

Ms. Haug stated a prescribed burn is scheduled for the Blaine Wetland Sanctuary sometime before November 30, 2018. Prescribed burning is an important tool that is used by resource managers to achieve various land management goals. The Blaine Wetland Sanctuary is being restored to a fire-dependent wetland system and the City plans to burn the wetland and woodland edges every 2 to 3 years in the immediate future and every three to five years beyond 2025. A prescribed burn is a wildland fire that is planned, ignited, and managed by trained wildland firefighters. Prescribed fire is one of several management tools needed to most effectively restore the native plant communities located within the Blaine Wetland Sanctuary. The prescribed fire planned for the site will help to minimize the invasion of aggressive woody shrub species, reduce the cover of accumulated leaf litter resulting in invasive grass species, and expose the underlying soils allowing for the germination of a diverse array of native plant species. In addition, the type of fire planned for the Blaine Wetland Sanctuary will help to avoid any environmental damage that could be caused by any unplanned or accidental fires in the area (resulting from discarded cigarettes, burning debris, recreational fires, etc.).

Councilmember Hovland asked if there was a concern the peat on the site would burn out of control. Ms. Haug stated this was not a concern for this site given the high level of water saturation.

### 3.6 Restoration Activities to the Southern Portion of the Blaine Wetland Sanctuary.

Ms. Haug stated at the August 21, 2018 NRCB meeting, the Board toured the southern half of the Blaine Wetland Sanctuary with Jason Husveth, Critical Connections Ecological Services, CCES. During the tour, it was discussed that the City has been approved to receive a Lessard-Sams Grant to restore the southern half of the Blaine Wetland Sanctuary which would require additional tree and brush removal and raking and mowing of the understory vegetation to open up the native seed bank. The project will need to go out for bid to determine who would put the plan together and do the restoration work. The ideal time to do the restoration work is in December 2019-January 2020. It was noted all diseased Ash trees and buckthorn would be removed from this area. Staff plans to hold a couple of public meetings and send out notifications to the neighboring properties prior to any work beginning.

Councilmember Jeppson asked if the City was working with Communications Coordinator Ben Hayle on this matter. Ms. Haug stated she had been in communication with Mr. Hayle and noted information would be sent to the neighborhood.

Councilmember Clark requested Councilmember-Elect Robertson be included in this mailing and that the neighborhood meeting be held at a public location.

Councilmember Garvais questioned how the City would be moving forward with this item. Ms. Haug stated staff would recommend the City work with Critical Connections on this matter, noting the City would have to provide matching funds for the grants available. Further discussion ensued regarding the grant funding available for this project. It was noted the funds were to be used for work on the ground and in the field.

Councilmember Hovland said he understood the big portion of this site would remain a wetland but noted there were some other features such as wooded areas and pockets of trees that were to remain in place.

Councilmember Garvais stated he supported the new plan with the boardwalks and walkways. He indicated he would like to see this work completed sooner rather than later.

Councilmember Clark requested staff provide the Council with all of the grant requirements when this item returns to the City Council for further consideration.

Mayor Ryan anticipated the sooner the area could be cleared the sooner the trail could be installed.

### 3.7 Pioneer Park Wetland Bank

Ms. Haug stated at the August 2, 2018 City Council meeting, staff informed the Council of an opportunity to create a wetland bank at Pioneer Park. At the meeting, the Council approved entering into a contract with Critical Connections Ecological Services, Inc. (CCES) to complete and submit a Draft Prospectus for a wetland bank at Pioneer Park. The Draft Prospectus was submitted to the regulatory agencies on Thursday, August 30, 2018. The regulatory agencies have reviewed the Draft Prospectus and are in favor of the project moving forward. The Technical Evaluation Panel (TEP) Findings and Recommendations form was provided to the City on October 10, 2018. This form indicates that the proposed Project is suitable and viable and can proceed to the next step in the application process. The next step is to enter into an agreement with CCES to complete the second phase of the formal application, the Wetland Mitigation Proposal (Prospectus). The cost for this work is \$20,000. Going through this process does not require the City to continue moving forward. This step will help determine the amount of credits available at the site. The City will also need to enter into an agreement with the Coon Creek Watershed District (CCWD) to complete hydrologic monitoring. The cost for CCWD to do the work will be under \$2,500.

Councilmember Clark stated he supported pursuing this application but recommended the City hold a number of neighborhood meetings with all residents surrounding the park in order to inform them of the number of trees that would be lost. Ms. Haug stated she fully intended to hold a number of meetings.

Councilmember Clark asked how this site compared to Site 7. Ms. Haug reported this site was much smaller.

Council consensus was to direct staff to pursue the Pioneer Park Wetland Bank.

### **OTHER BUSINESS**

None.

The Workshop was adjourned at 8:42 p.m.

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Tom Ryan, Mayor

ATTEST:

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