

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, October 5, 2020

6:00 p.m.
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 6:00 p.m. Due to the COVID-19 pandemic this hybrid meeting was held both virtually and in person.

ROLL CALL

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

ABSENT: None.

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; City Engineer Dan Schluender; City Planner Lori Johnson; City Attorney Christopher Nelson; Communications Technician Roark Haver; Communications Manager Ben Hayle; Budget/Fiscal Analyst Ward Brown; Water Resources Manager Rebecca Haug; Accountant Dalton Larson; and City Clerk Catherine Sorensen.

3.1 Discuss Temporary Outdoor Dining Policy Extension.

Community Development Director Thorvig stated in June, the City Council adopted a temporary outdoor dining policy to allow the expansion of outdoor dining in non-traditional areas as a result of state restrictions related to restaurants during the COVID-19 pandemic. Eight restaurants applied which included Acapulco, Applebee's, Blainebrook, Bricks, Broadway Pizza, Carol's, Ole Piper Inn, and Sticks and Stones. The policy expires on October 31, 2020. There have been no changes to the state restrictions set forth, therefore several restaurants have asked if the temporary outdoor dining policy can be extended into the winter months to allow for additional outdoor seating. He commented staff recommends extending the expiration of the temporary outdoor dining policy through April 30, 2021. This will allow restaurants expanded outdoor dining through the winter/spring months. The City can reassess the policy if regulations at the State level change and/or when the policy is nearing expiration next spring. In all likelihood, tents and heaters will be needed for outdoor dining in the winter. A tent permit is required through the Community Standards Department. They review occupancy, exiting, lighting and heating. Based on the direction from the city council in June, permit fees will be waived.

Councilmember Hovland stated he supported staff's recommendation. Mayor Ryan agreed.

Councilmember Robertson supported the City extending the outdoor dining policy and questioned if the City has heard from the State when reopenings would be adjusted. City Manager Wolfe explained the only thing she has read was that the Governor was making visits to small businesses to gather information.

Mayor Ryan agreed it would be great if the Governor could readdress this matter for the benefit of all small businesses and restaurants.

Council consensus was to support the extension of the temporary outdoor dining policy through April 30, 2021.

3.2 Twin Cities Gateway Visitors Bureau Additional Board Seat.

Councilmember Jeppson stated based on annual lodging tax receipts, the City of Blaine is entitled to an additional appointed Board seat for the Twin Cities Gateway Visitors Bureau. Per the bylaws, this second appointed seat is to be from the hotel/lodging sector. All lodging properties in Blaine are eligible and staff reached out to all lodging properties regarding their interest and asked for a letter of interest. Two letters of interest were received by the deadline of September 14 and are included for Council review. She explained interviews were conducted last week between the two candidates, herself, City Clerk Sorensen and Ms. Wolfe. In terms of a time commitment, the Twin Cities Gateway Board of Directors meets six times a year, the next meeting being November 17. While attendance is not required, it is encouraged as the goal is to have Boardmembers who are actively engaged. She explained after conducting the interviews she would recommend the Council appoint Forogh Amini to the Twin Cities Gateway Board.

Mayor Ryan stated both candidates were very well qualified. Councilmember Jeppson agreed.

Councilmember Swanson recommended Ms. Wolfe serve as an alternate for this organization.

Council consensus was to support the appointment of Forogh Amini of Best Western Plus to the Twin Cities Gateway Board and designate the City Manager to serve as alternate.

3.3 Proposed 2021 Water Utility Fund Budget.

Finance Director Huss stated presented preliminary budgets for the Water Utility Fund as part of the City's comprehensive budgeting process. The city's Water Utility Enterprise Fund accounts for the operations of the city's water system. As an enterprise fund, the water fund is designed to recover the cost of providing clean, potable water to its customers through user fees. The system serves about 20,865 accounts, 95% of which are residential. Overall, Blaine provides water to more than 96% of city residents. The system has a daily pumping capacity of 18.5 million gallons, with average daily usage of 6.4 million gallons. The city's water operation functions as a division of the city's Public Works Department under the direction of the Public Works Director, with 10.5 full-time equivalent (FTE) staff budgeted in the division. Staff discussed the proposed 2021 Water Utility Fund in further detail with the Council and provided a summary on the revenues and expenses.

Councilmember Hovland questioned how much the City received in WAC fees each year. Mr. Huss estimated this to be approximately \$630,000 each year.

Councilmember Hovland explained this revenue source will begin to dry up as the City becomes fully built out. He asked what impact a 2% WAC fee increase would have on the Water Utility Fund Budget. Mr. Huss reported WAC fees cover the cost to expand the City's water system. He stated the City wants to maintain generational equity because costs go up over time. He indicated as the City becomes fully built out the system will not have to be expanded but will have to be maintained.

Councilmember Hovland inquired if residential and commercial properties pay the same in WAC fees. Mr. Huss explained commercial WAC fees are paid per acre and residential fees are paid per unit.

Councilmember Jeppson questioned why there was a difference between the 2020 Projected Reserve Estimate and Proposed Budget. Mr. Huss stated this was due to the new water treatment plant.

Councilmember Robertson thanked Mr. Huss for his thorough presentation. She asked what the 10 cent increase would equate to for a typical homeowner. Mr. Huss explained this would equate into an 80 cent increase per month.

Councilmember Robertson requested further information regarding the way the Assistant Public Works Director's position was split. Mr. Huss described how the position was split and paid for between several City funds.

Councilmember Paul commented on the proposed Water Utility Fund Budget. He stated he appreciated staff's efforts on this document. He stated he appreciated the fact that Blaine's water expenses were lower than neighboring communities.

Councilmember Hovland questioned where the City was with drilling new wells. Public Works Director Haukaas explained the northeast wellfield included four new wells. He reported these wells would be treated by the new water treatment plant. He noted only one new well was online at this time. He indicated all four wells would be brought online next summer.

3.4 2021 Recommended Capital Fund Budget.

Mr. Huss stated Council reviewed a first draft of the proposed 2021 capital budget at the September 14, 2020 workshop. At that time, staff indicated there was a total of \$2,837,520 in capital items that were under consideration. Prior to the September 14 Workshop, SBM Fire had withdrawn \$745,000 of 2021 Capital requests as a cost saving initiative. Since that workshop discussion, the City Manager has had the opportunity to discuss 2021 capital requests with staff on a more detailed level. Based on those discussions, over \$600,000 has been trimmed from the 2021 Proposed Capital Budget. Staff reviewed the 2021 requests with City Council in further detail and discussed funding alternatives.

Councilmember Hovland stated he did not want future budgets to be impacted by vehicle and equipment purchases. He requested further information regarding the items that were being deferred. Mr. Huss commented on the vehicles and heavy equipment that were being deferred in 2021. He described how the City evaluated the life and replacement timeline for its vehicles and heavy equipment.

Mayor Ryan questioned how many miles the police department was putting on its SUVs. Police Chief/Safety Services Manager Podany reported the police department put around 80,000 miles on them before the vehicles were repurposed.

Councilmember Robertson stated she would like to know from staff further information regarding the efficiencies being gained from the requested equipment purchases. Mr. Huss reported a great deal of analysis went into the decisions that were made regarding the equipment purchases based on efficiencies.

Councilmember Robertson suggested she take this conversation offline with Mr. Huss and Ms. Wolfe. She thanked staff for working so diligently on the budget and for cutting \$650,000 out of the budget. Ms. Wolfe

commented overall some of the cost containment measures were deferral items while others were cost saving measures.

Councilmember Paul thanked Mr. Huss for his thorough presentation. He requested further information regarding the ballistic shields. Police Chief Podany explained the shields would be stored in the back of squad cars. He indicated these shields would be used at high risk, tactical situations, as they were bullet proof.

3.5 CARES Funding/COVID Impacts/Other.

Mr. Huss reviewed the City's spending plan for CARES funding. He stated staff wanted the City Council to be comfortable with this plan moving forward. He explained iPlan Table was a new planning software that has been deemed eligible for CARES funding. He discussed the option of providing assistance to landlords and the potential of creating dollars for rental assistance. Staff recommended the Alexander House be funded early through CARES funds. It was noted aid could be provided to schools (\$500 per pupil). He reported the City has enough expenditures to utilize the entire balance of the CARES funding. He explained this item would be coming back to the Council for approval at a future meeting.

Councilmember Jeppson indicated the County is not set up to receive this type of funding. She explained Minnesota Housing may be a better option to provide rental assistance.

Mayor Ryan supported the City funding the Alexandra House. He stated it was important for the City to utilize these dollars for the community.

Mr. Huss reported 28 small businesses had submitted paperwork for the City's small business grant program. He noted 25 small business loans had already been approved and the remaining three were being reviewed at this time.

Councilmember Garvais stated he would like to see the City pursuing rental assistance, but understood this may be a difficult program for the City to administer. He explained other assistance programs were in place and perhaps the City could point residents to these programs. He indicated he liked the fact that the City was looking to fund its local non-profits for 2021 through CARES funds.

Councilmember Robertson indicated she would have a difficult time supporting the City creating a rental assistance program. She anticipated the City may then receive requests for mortgage assistance. She explained she did not support the City providing aid to schools, but did support the City funding local non-profits. She questioned if any of the building improvements would offset some of the renovations taking place at City Hall. She asked if additional CARES dollars were available to provide assistance to local business grants. Mr. Huss reported the building improvements would not offset the renovations taking place at City Hall. He explained this was due to the fact these funds had to be spent by November 15. He reported some CARES funds could be set aside in order to provide additional assistance to businesses.

Councilmember Jeppson stated she was not against aid to schools but noted she would need additional information prior to approving CARES funds. She explained she would rather provide these funds to schools in the community versus giving it back to the government.

Ms. Wolfe reported staff would not move forward with any of the funding until these items were approved by the Council.

Councilmember Swanson agreed with Councilmember Robertson that these dollars should not go to school districts but rather should be provided to small businesses in the community. Mayor Ryan agreed.

Councilmember Garvais asked how much of the dollars within the small business assistance program have been allocated to date. Mr. Huss stated \$250,000 in grants have been provided to small businesses. He stated an additional \$250,000 was being provided in Round 2.

4.0 Council Calendar Review

Ms. Wolfe reviewed the Council Calendar.

OTHER BUSINESS

None.

The Workshop was adjourned at 7:33 p.m.

Tom Ryan, Mayor

ATTEST:

Catherine Sorensen, CMC, City Clerk
Submitted by Minute Maker Secretarial