



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

10801 Town Square Dr.
Blaine MN 55449

City Council Workshop

**While this is a public meeting where interested persons are welcome to attend, it is a work session for Council and staff to discuss issues before them. It is not for the purpose of receiving public input.*

Thursday, October 11, 2012

6:30 PM

Cloverleaf Farm Room A

Meeting Number 12-57

NOTICE OF WORKSHOP MEETING

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

Quorum Present.

ALSO PRESENT: Clark Arneson, City Manager; Pat Sweeney, City Attorney; Bryan Schafer, Planning and Community Development Director; Bob Therres, Public Services Manager; Ward Brown, Budget/Fiscal Analyst; Chris Olson, Safety Service Manager/Police Chief; Nyle Zikmund, SBM Fire Chief; Connie Forster, Chief Prevention Officer; Roark Haver, Communications Technician; Al Thorp, Senior Engineering Technician; Jane Cross, City Clerk; and Recording Secretary Linda Dahlquist.

Present: 5 - Councilmember Clark, Councilmember Bourke, Councilmember Herbst, Mayor Ryan, and Councilmember Swanson

Absent: 2 - Councilmember Kolb, and Councilmember Hovland

2.0 [WS 12-49](#)

**LAND USE ISSUE (ISD 916 - 95th AVENUE/I35W
BUSINESS PARK)**

Sponsors: Schafer

Attachments: [Attachments.pdf](#)

Planning and Community Development Director Schafer stated ISD 916 is an Intermediate Public School that provides special education to ten or more east/north metro school districts. He stated ISD 916 proposes to purchase 11 acres on the south side of 95th Avenue (United Properties) across 95th Avenue from Eagle Brook Church and Arrowhead Electric. He noted the current PBD zoning does not allow a public K-8 school; although the PBD has been amended twice in past years to accommodate post secondary education and a church.

Planning and Community Development Director Schafer stated there are four major loss concerns: loss of key corporate site, loss of employment jobs, loss

of property taxes and loss of the land use process. He noted that there are other sites to locate a building of this size for the school within Blaine. He noted that ISD 916 does project 88 jobs for the school; although the City is looking for one job per 1,000 square feet.

He stated the property tax impact for City tax varies between land uses, finish levels, age and condition of the property. He stated the City gets 11.9% from industrial office and 34.7% in residential in taxes. He noted the school acknowledges their need and benefit from Public Safety and Public Services and agreed the developer will provide an annual payment through the development association for their share of those service benefits estimated at \$15,000 per year.

Councilmember Swanson asked about the development association. Planning and Community Development Director Schafer responded the development association for this location would be United Properties.

Mayor Ryan asked about the number of school districts that will be served. Planning and Community Development Director Schafer replied the school will cover ten school districts.

Planning and Community Development Director Schafer stated the zoning change from PBD (Planned Business District) to DF (Development Flex) would be the cleanest and no code change would be necessary.

Councilmember Bourke stated he is concerned about the location with the neighboring cities. City Manager Arneson replied the City of Lexington prefers to have this school located in an industrial location.

Councilmember Swanson asked about the zoning change and if the property owner has to support the change. Planning and Community Development Director Schafer replied the property owner and the buyer has to support a zoning change. He noted the comprehensive plan can be changed to broaden the base for the property.

Councilmember Swanson asked if the ISD 916 has talked to the landowner on Ball Road and asked if they were interested in selling. Jon Rausch, ISD 916, replied they talked to Marty Harstad, the land owner, and his land price and desire for the site is for retail. He wants a retail development to go in there and retain the retail pads as outlots. He noted that when the school looked at the lot, it is down range from the gun club and the school wrote the location off prior to discussing the economics with Mr. Harstad.

Councilmember Clark asked if the school went to another site, the school would still be exempt from property tax. Planning and Community Development Director Schafer replied yes the school is exempt from property

tax.

Mayor Ryan asked if the \$15,000 would be permanent. Planning and Community Development Director Schafer the agreement would need to be worked on.

Councilmember Clark asked about build out. Planning and Community Development Director Schafer replied the building would be a high office finish, but it would be tax exempt.

Councilmember Clark asked about the planned business district and high and low build outs. Planning and Community Development Director Schafer replied both types fit this planned business district.

Planning and Community Development Director Schafer stated if approved, construction could start in the spring.

Discussed

3.0 [WS 12-50](#)

**DISCUSSION ON ANNUAL CITY MEMBERSHIP DUES
FOR 2013**

Sponsors: City Manager Arneson

Joseph Strauss, North Metro Mayors Association (NMMA), stated the Governor had asked the Mandate Committee to postpone discussions until after the 2012 bonding legislative session. He stated that federal and state mandates are being reviewed in the 2013 session. He commented a large turnover is expected in the legislature after the November elections. He noted they are just starting to work on the North Metro Mayors Association, Community Partner Program.

Mayor Ryan commented water and storm water issues are the most important to the City of Blaine.

Mark Uglem, Mayor of Champlin stated being a part of NMMA is important to Champlin. Membership gives Champlin a voice and the interactions between the cities are invaluable. He noted the purchasing power is of great value to their city. He stated the cities need to stick together and NMMA has helped to equal the playing field for the northern cities.

Councilmember Bourke asked if Blaine purchases ammunition thru NMMA. Police Chief Olson replied yes. Joseph Strauss replied the cost savings for ammunition was \$100 per case. He noted that membership fees have remained at the same rate for 3 years.

Gary Sauer, Chairman of Board of Barton Corporation, member of NMMA for over 12 years. He noted Hwy 610 was a result of NMMA's members and is a great addition for the northern cities.

Joseph Strauss asked the Council for questions and comments to the legislature before the December Board meeting.

Mayor Ryan noted some cities have dropped out of the League of Cities.

Discussed

1.0 [WS 12-48](#)

ASSUMPTION BASED BUDGETING - SAFETY SERVICES

Sponsors: City Manager Arneson and Huss

Attachments: [2013 Prioritized Budgeting-Public Services](#)

Spring Lake Park-Blaine-Mounds View (SBM) Fire Chief Zikmund stated the fire department is a nonprofit corporation organized in 1944. The fire department has a seven member board with three representatives from Blaine, one from Spring Lake Park, one from Mounds View, and two from the fire department. He stated fire services provided are via contract with the three cities. He noted the budget share is detailed by a Joint Powers Agreement by the three cities with a formula of 50% market value and 50% call average over the past three years. He stated the contract provisions are for services provided, department organization and operation, training, payment and budget.

Councilmember Herbst asked who is on the fire board. SBM Fire Chief Zikmund replied Blaine's board members are Greg Kroll, Keith Lakeman and Dave Knapp. He noted City Manager Arneson nominates Blaine's board members. City Manager Arneson noted that one board member's term is up and the Council may want to nominate a candidate.

SBM Fire Chief Zikmund gave an overview of the assumptions final summary, which include hiring and training the right people, equip them to the best degree, have a primary focus on prevention of fires and injuries, and respond when prevention fails.

SBM Fire Chief Zikmund gave an overview of benchmarks: per capita fire expense, comparison of price and service provided, number of fire fighters per 1,000 population, annual and historically comparative fire fighter injury rates, number of responses and per capita number of response, rolling five year fire loss average, number of working structure fire, civilian and firefighter fire deaths, civilian and firefighter injuries, sprinkler controlled fires, prevention and behavioral change.

Councilmember Bourke asked where the worker compensation insurance is purchased. SBM Fire Chief Zikmund replied the worker compensation insurance is purchased from the League.

SBM Fire Chief Zikmund gave an overview of the 2013 proposed budget. He noted Blaine's share of the budget is 75.93% and increase compared to 2012 is 3.73%. He noted SBM will generate revenues from training. He noted the MAC contract was held last year and the increase is shown in the proposed budget. SBM Fire Chief Zikmund stated the staff will receive a 2% salary increase. He noted the unemployment insurance was calculated wrong which benefited the City in the past, but now the error has been corrected.

Councilmember Herbst asked about the workers compensation rate. SBM Fire Chief Zikmund replied that more workers compensation is paid on the volunteer side at a rate of 22.9%.

SBM Fire Chief Zikmund stated the budget percentages are personnel and insurance 82.2%, maintenance 5.7%, operations 2.4%, personnel related 3.1%, prevention .03%, technology 1.3%, professional services.9%, and utilities 4.3%.

Fire Chief Zikmund noted radio access fees are going up. Councilmember Bourke asked whom the City pays for radio access. Fire Chief Zikmund replied Anoka County.

Councilmember Bourke asked what is included under media. SBM Fire Chief Zikmund replied brochures, website maintenance, and other public communications.

Councilmember Bourke asked if legal fees are covered by the League. SBM Fire Chief Zikmund replied no, SBM has another law firm.

City Manager Arneson commented broadband agreements are needed for Stations 1 and 3 and is scheduled to go live January 2013.

SBM Fire Chief Zikmund gave an overview of SBM personnel of 10 full time and 3 part time staff and 5 responders at station 1 and 4 responders at station 3.

Councilmember Bourke asked about webinar training costs. SBM Fire Chief Zikmund replied the SBM will profit for hosting webinar trainings.

Mayor Ryan asked about the home safety surveys. SBM Fire Chief Zikmund stated 2 homes had events out of 2,600 surveys conducted. He noted SBM presents the safety survey program all around the U.S.

SBM Fire Chief Zikmund stated SBM has 50 volunteer personnel. He stated the volunteer staffing plan for the next five years is 9 firefighters are over the age of 50 and are likely to retire. He noted the goal is to add 6 firefighters in 2013, 2014, 2015 and 16 for 2016.

SBM Fire Chief Zikmund stated the volunteer pension system is funded by a property tax. He noted SBM gets \$280,000 per year from the State. He stated the plan has \$10 million and gets a rate of 3.7%. He stated there are 36 retirees per month collecting a pension. He commented the State aid pays the pension cost for the year. He noted benefit increases are approved by the SBM Board and there has not been a benefit increase in four years. He stated the pension is 106% funded and is the 5th largest in the State. He noted 10 years of service for 60% vested and 20 years of service for 100% vested. He noted SBM's average years of service is 25 years.

SBM Fire Chief Zikmund commented SBM will utilize grant funds for training.

SBM Fire Chief Zikmund gave an overview of the budget detail for permanent full time staff and part time staff payroll. He commented if an hourly staff works a full shift and returns to work, SBM has to pay that person overtime. Council held discussion on volunteer pay and overtime pay.

SBM Fire Chief Zikmund is proposing a pension increase of \$3,000 for duty crew to pay a stipend for three City workers.

Mayor Ryan asked who determines the investments. SBM Fire Chief Zikmund replied the Relief Association sets the investment policy. He noted that Councilmember Swanson is a member.

SBM Fire Chief Zikmund gave an overview of insurance/allowances, maintenance, operations, supplies, personnel related, training, dues and subscriptions, and prevention

SBM Fire Chief Zikmund commented that SBM receives grants from several companies, Walmart, Target, etc.

Councilmember Herbst asked about the succession planning and why a consultant is needed. SBM Fire Chief Zikmund replied he cannot do the 360 or the in-depth analysis of the candidate. He noted the cost would be a one-time cost.

SBM Fire Chief Zikmund gave an overview of the revenues. He noted MAC was covered by SBM last year due to the City not having a signed contract.

Councilmember Swanson asked about career fire fighters in Minneapolis.

SBM Fire Chief Zikmund stated those firefighters can only work 33% of calls.

The Council recessed for five minutes at 8:30 p.m. and returned at 8:35 p.m.

Councilmember Herbst asked about a commission on the Knox Box system. SBM Fire Chief Zikmund stated the City does not receive a commission.

Councilmember Herbst asked if SBM bills insurance companies for crash rescue. SBM Fire Chief Zikmund replied sometimes insurance companies are billed and the funds received goes to purchasing equipment.

Councilmember Herbst commented the general fund reserve is approximately \$130,000, but all bills have not been paid for the Blue Card. SBM Fire Chief Zikmund noted that reserves are down and that reserve funds are used for emergency equipment and situations.

Councilmember Herbst stated the resident survey results stated the fire department is too plush. SBM Fire Chief Zikmund stated he analyzed the results and the cuts for prevention could be made. He stated SBM scored well because of the partnership with the City. There are two types of fire prevention, which are direct contact and code enforcement. He noted SBM has high visibility. City Manager Arneson stated there maybe confusion with SBM and City staff code enforcement.

Councilmember Clark asked about the cost of the simulator. SBM Fire Chief Zikmund replied the real cost is additional electrical, software licenses, and new computers. He noted supplies are purchased for the training and for SBM. Councilmember Clark asked if costs are covered for contract training. SBM Fire Chief Zikmund replied costs are maximized for a full class of 8.

Councilmember Clark asked about when new technology is purchased. SBM Fire Chief Zikmund stated technology is purchased when the proven technology is right for SBM.

Councilmember Clark asked about prevention activity. SBM Fire Chief Zikmund replied costs are at \$57,000 and the City's percent is 76%. Councilmember Herbst asked if a fee could be charged for prevention. SBM Fire Chief Zikmund responded no fees can be charged for prevention and SBM does not want to create barriers to prevention.

Councilmember Clark asked about the smoke alarms program. SBM Fire Chief Zikmund replied a new smoke alarm is provided if the resident cannot afford to buy one. He stated grant funds are used to pay for detectors. He noted a lot of programs are done jointly by SBM and the City.

Councilmember Clark asked about the number of cell phones, air cards, and hot spots. SBM Fire Chief Zikmund replied air cards are necessary for computers and hot spots would not work if a call comes in or out, the cell phone would drop the computer for the call.

SBM Fire Chief Zikmund proposed the Council could explore closing station 2 as a cost savings. Council discussed on the annual costs of the stations. It was noted that if station 2 is closed, station 3 would respond to calls and fire response time or ISO time would not be affected. It is unknown what the property value would be if the property were sold. The building has a new roof, but needs a new HVAC. Allina pays rent to use the building and would be against closing station 2.

Councilmember Bourke asked if station 4 could be closed. SBM Fire Chief Zikmund stated the City is currently installing a new parking lot. He noted station 4 is modest, just a garage, and costs \$4,000-\$5,000 annually. SBM Fire Chief Zikmund stated utilities, radio, building, insurance cannot be reduced.

SBM Fire Chief Zikmund noted that only wage increases or succession planning could be cut from the proposed budget. Council discussed the value of succession planning.

Councilmember Herbst suggested removing succession planning. SBM Fire Chief Zikmund replied the succession planning has been postponed for two years. Council discussed the proposed increases.

Councilmember Herbst asked about equipment and tools. SBM Fire Chief Zikmund replied equipment and tools purchases are made on recommendations.

Councilmember Bourke stated the Council needs to review the stations at a future meeting and succession planning should be paid from the rescue fund.

Councilmember Swanson asked about the succession plan's shelf life. SBM Fire Chief Zikmund replied the candidates training would take place over a five-year period. He noted the candidates can get training outside of SBM.

SBM Fire Chief Zikmund was asked to remove the succession planning and conduct a cost analysis on closing station 2 and 4. Council will discuss equipment purchases.

Discussed

ADJOURN

The Workshop adjourned at 9:35 p.m.