



**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, December 19, 2013

6:30 PM

Cloverleaf Farm Room A

Meeting Number 13-65

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 Director; Bob Therres, Public Services Manager; Joe Huss, Finance Director; Ward Brown, Budget/Fiscal Analyst; Chris Olson, Police Chief/Safety Services Manager; Roark Haver, Communications Technician; and Jane Cross, City Clerk, Recording Secretary Linda Dahlquist.

NOTICE OF WORKSHOP MEETING

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

1. [WS 13-70](#)

2014 CAPITAL FUND BUDGET

Sponsors: Huss

Attachments: [2014 Proposed Capital Equipment Budget](#)

Finance Director Huss gave an overview of the 2014 Proposed Capital Fund Budget. He noted an adjustment that was made to the previous draft is to fund the purchase of replacement long guns for the police department over a two-year period starting in 2014. He stated 2014 capital requests for replacement includes computers, vehicles, heavy equipment, and other capital. He stated the 2014 capital requests for new programs are for heavy equipment, motor vehicles and computer equipment. He noted the past funding sources for pre-2005 were equipment certificates; 2005-2009 unrestricted general fund reserves; 2010 equipment certificate; and 2011-13 reserves. He stated that the funding for purchasing 2014 capital items will come from the issuance of a certificate of indebtedness.

City Manager Arneson commented the City will need to purchase snowplow trucks starting in 2015 and over the next five years. He noted the City has 12 snowplow trucks currently.

Councilmember Clark arrived at 6:37 p.m.

Discussed

2. [WS 13-79](#)

**2014 PROPOSED BUDGETS - REFUSE UTILITY FUND;
AND STORM DRAINAGE UTILITY FUND**

Sponsors: Huss

Attachments: [2014 Refuse Fund Overview](#)
[2014 Storm Water Fund Overview](#)

Finance Director Huss gave an overview of the Sanitation Fund and the Storm Sewer Utility Fund.

Finance Director Huss stated the Sanitation Fund accounts for the City's refuse and recycling program. He noted that the City has a seven-year contract (2009-2015) with an option to extend the contract for 3 more years to 2018 with Veolia Environmental Services for refuse collection and recycling services for Blaine's residents. He stated the budget recommendation and five-year budget outlook developed in 2012 was to gradually increase customer fees over the next five to seven years. He stated the model proposed was a \$1.50/quarter increase from 2013 through 2015; and a \$2.00/quarter increase for 2016 through 2017. He stated staff is suggesting an adjustment to the model for a lower increase of \$.75/quarter starting in 2014. He noted the fee recommendation allows the continuation of a gradual draw-down of fund reserve to a level that provides operating case flow, a reserve to cover large expense increased due to fuel costs spikes and other unforeseen factors.

Councilmember Herbst asked if the lower fuel cost offsets the tipping fees. Finance Director Huss replied yes.

Finance Director Huss stated staff recommends adjusting the model to be \$.75 for 2014 through 2015 and \$1.50/quarter increase for 2016 through 2017.

Councilmember Kolb asked if the City plans to extend the contract for 3 years and if Veolia could cancel the contract at any time. Finance Director Huss replied the contract can be cancelled by mutual agreement.

Council discussion on the expected higher cost of future contracts for waste/recycling.

Councilmember Clark asked if the City could use the reserve funds for other

uses. Finance Director Huss replied it is enterprise funds that the City could use for other uses.

Finance Director Huss stated the Storm Sewer Utility Enterprise Fund accounts for the operations of the City's storm drainage system. He stated the fund is designed to recover the cost of maintaining the City's storm drainage system. He noted the system includes over 100 miles of sewer pipes and serves over 17,000 parcels throughout Blaine. He noted that the storm sewer operation functions as a division of the City's Public Services Department and has staffing of 3.75 fulltime equivalent employees. He stated total revenues are expected to increase slightly and charges for service revenues are expected to increase in 2014. He stated the budgeted operating expenses will increase in 2014 due to the drainage pond maintenance program; depreciation on system assets and equipment; and system repairs. He stated proper system maintenance; administrative overhead; depreciation; and capital project expenses will continue to put pressure on the rate structure. He stated staff continues to fine-tune the five-year model; although it is apparent that revenues will be insufficient to support operations and maintenance of the storm drainage system. He stated staff is recommending no increase for 2014 and proposing an increase in service rates of \$1.00/quarter in 2015. He noted the City is in compliance with the Anti-degradation Rule and the MS4 Permit. He gave an overview of the upcoming stormwater projects.

Councilmember Herbst asked about pond maintenance. Public Services Manager Therres replied base line surveys have been completed and the City needs to go back and test again.

Councilmember Hovland asked about soil testing of ponds. Public Services Manager Therres replied no testing has been done.

Discussed

OTHER

Planning Director Schafer stated Mortenson is requesting to store dirt on their property next to the Park-N-Ride for the new Viking Stadium. He stated it would be 150,000 cubic yards of dirt stored on Mortenson's site for 18 months. He stated they have a budget for dirt and would be willing to donate \$100,000 to the City. He noted the City has approved work to be done on Naples Street, which will delay the project to 2016. City Manager Arneson suggested the money could go to the EDA.

ADJOURN

The Workshop adjourned at 7:20 p.m.

Adjourned