



**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, May 10, 2012

6:30 PM

Cloverleaf Farm Room A

Meeting No. 12-31

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

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

1 [WS 12-24](#)

2012-2013 DEVELOPMENT PREVIEW

Sponsors: Schafer

Community Development Director Schafer presented an overview of the current residential lot inventory, the need for new residential lots and the pending development proposals. He stated 320 homes per year have been built from 2007-2011 (1,597). He stated for first quarter 2012, there have been 100 permits issued for 92 single family homes. He stated Blaine's lot inventory is at 360 single family lots. He stated 132 single family lots have been created since 2007. 40% of the single family lot inventory is in The Lakes and not available to national builders. He gave an over view of the 2012-2013 project (probable) 585 single family lots (548 attached) within Woodland Village, Paxmar (Finn Farm), Legacy Creek North, Harpers Street North, and Glen Meadows (Pulte). He noted Pulte will be looking for more lots.

Councilmember Bourke asked about development's renewing their plats. Community Development Director Schafer replied yes, some have renewed.

Community Development Director Schafer stated Paxmar has 140 acres. He stated the City is working with Paxmar on road right-of-way widths and sewer and water. He stated a traffic report will be required within the development agreement. He noted Paxmar wants to start work in 2013.

Councilmember Clark arrived at 6:43 p.m.

Councilmember Bourke left the meeting at 6:44 p.m. and returned at 6:45 p.m.

Councilmember Clark asked about the plan for the Finn Farm barn. Community Development Director Schafer replied the barn will be removed.

Councilmember Kolb asked about salvaging the barn. Councilmember Herbst commented the old creamery house had been remodeled into a one bedroom residence. He stated that building could be moved.

Councilmember Kolb asked if there is a way to preserve any of the buildings. She asked what type of commercial would be attracted to this location. Community Development Director Schafer stated small shops, office space, clinics, etc.

Councilmember Herbst asked about the number of lots that are left in the Sanctuary. Community Development Director Schafer replied less than 20. Councilmember Herbst asked about the cost of a lot. Community Development Director Schafer replied the land cost is under \$70,000.

Mayor Ryan asked about the availability of more town homes by Hans Hagen. Community Development Director Schafer stated there is a lot of competition for available land.

Councilmember Clark asked the staff to research the following items at the Finn Farm:

1. What would it cost to move the building?
2. Can the City find space for the building within the Athletic Park or somewhere in proximity to the Finn Farm?
3. Can the City remove the weather vane from the barn and give it to the historical society?
4. Can North Metro TV do a video tour of the property and the barn?

City Manager commented when you move a building, the City would have to bring the structure up to code.

Councilmember Kolb suggested seeking funding from the Legacy Fund.

Councilmember Herbst commented he liked the proposed plat.

Discussed

2 [WS 12-25](#)

2013 GENERAL FUND PRELIMINARY BASE BUDGET

Sponsors: Huss

Finance Director Huss stated the 2012-2013 valuation data from Anoka County indicates a net loss in tax base of just over 7%. He stated staff was instructed to begin developing 2013 budget scenarios based on maintaining the current tax rate of 33.6% and extends the budget model into 2014 assuming an additional 4% decline in overall valuation and to supplement the budget with a reserve draw of \$500,000 in both 2013 and 2014 models. Finance Director Huss stated the budget scenarios are based on maintaining the current tax rate of 33.6%. He stated to maintain the rate would require a levy reduction of \$1.5 million in 2013 for non-tax levy revenues and expenditures. He stated with keeping the current tax rate for 2013 would produce a gap of \$1.66 million and \$3.5 million in 2014. He stated the next step is to meet with department heads on staffing for current service levels, reductions or increases on service levels, and other areas. He commented that in the category of supplies, fuel is the single largest expense, and fuel costs are monitored daily. He stated there is not a lot of room to reduce costs in the SBM fire department, which is the single largest expense in contractual services.

Councilmember Bourke asked about increasing the City's insurance deductibles. Finance Director Huss stated the City has increased some deductibles, but there is still room for more.

Councilmember Herbst left the meeting at 7:08 p.m. and returned at 7:10 p.m.

Councilmember Swanson commented the City's safety services and public services have the largest budgets.

Councilmember Kolb asked about the garbage contracting expenses and renewal. Finance Director Huss replied that the original contract is for seven years with the option to extend an additional three years.

Councilmember Herbst stated he would like to see the scenario of more funds in the unreserved funds for 2013 and 2014. Finance Director Huss replied current revenues are positive, but predictions will be difficult on some items like snow plowing.

Councilmember Swanson asked about increasing third party agreements. Finance Director Huss replied there have been discussions, but nothing is

being discussed at this time.

Councilmember Hovland asked about setting up a permit system for the bus benches to bring in more revenue. Public Services Manager Therres replied the project will go out for bid by summer and revenues will be estimated at that time

Finance Director Huss stated if the current tax levy were to be levied in 2013 and 2014, initial estimates show a decline in value of 7% in 2013 and 4% in 2014.

Discussion took place on property values.

Finance Director Huss stated cash flow is 30% of the adopted budget.

Councilmember Bourke asked if there is a number that the City should be at to be fiscally responsible. Finance Director Huss replied yes and the City is at the right number. He stated keeping too much in reserve is not good.

Councilmember Clark asked if the City can appeal Anoka County's valuation. He asked if the Board of Review could do a real estate survey on property values to use to counter the County Assessor's valuation. Finance Director Huss replied there is no mechanism for the City to appeal to the county.

Councilmember Herbst stated the City's market value needs to be between 90% and 105%. Finance Director Huss replied it would be contradictory to the home/property owners who want to be on the low end.

Finance Director Huss stated the valuation is not as important as the dollar amount of the tax levy. He stated the rate is a function of the overall tax base and the valuation is the way the bill is divided among the residents. He stated there is a small way to control valuation, but there are several ways to control the budget. Discussion took place on market values and the valuation system.

Councilmember Herbst left the room at 7:41 p.m. and returned at 7:45 p.m.

Councilmember Clark suggested the budget start with a zero base and build up, and show the assumptions used to calculate the numbers. Finance Director Huss stated some budget items would be difficult to start at a zero base. He stated budgets are based on the previous year's data. Councilmember Clark suggested prioritizing budget items as low, medium, and high priorities.

Mayor Ryan asked how many years have the reserves been used. Finance Director Huss replied just this year. He commented the City has reduced budgets for the last four years.

City Manager Arneson stated the staff will develop a zero based budget that provides details for each program of the major expenditures with a list of priorities for the Council to review in July.

Finance Director Huss stated each line item will be justified based on what is currently done and priorities that are set.

Finance Director Huss commented a workshop on the budget is scheduled for June.

Discussed

Other Business

City Manager Arneson stated the Proclamation on the Beyond the Yellow Ribbon project will be presented at the Saints Game next week.

Councilmember Swanson asked about the Walker project. Community Development Director Schafer replied a meeting was just held on Monday. He stated discussions will continue with the county.

Discussion took place on the Walmart on Highway 65.

Discussion took place on fire sprinkler systems in residential homes. Councilmember Clark requested a Council workshop on staffing the SBM fire department.

Mayor Ryan stated the airport's east runway will be temporarily closed for repair and all plane traffic will be directed north and south.

ADJOURN

The Workshop adjourned at 8:00 p.m.