

UNAPPROVED

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL MEETING
Thursday, December 14, 2017

8:00 P.M.
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 8:04 p.m.

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

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Safety Services Manager/Police Chief Brian Podany; Finance Director Joe Huss; Public Services Manager/Assistant City Manager Bob Therres; City Attorney Patrick Sweeney; Communications Technician Roark Haver; Senior Engineering Technician Al Thorp; Budget/Fiscal Analyst Ward Brown; and City Clerk Catherine Sorensen.

8:00 P.M. – PUBLIC HEARING AND ITEMS SET FOR A CERTAIN TIME

TRUTH IN TAXATION HEARING

Finance Director Huss explained the Truth in Taxation Public Hearing was being held to take input from the public on the proposed budget and tax levy for 2018. He stated the Council has held monthly discussions about the proposed budget and tax levy since May 2017. Finance Director Huss then provided the Council with a detailed presentation on the 2018 Proposed Budget and Tax Levy.

Finance Director Huss described how property taxes were determined based on property values and the City's tax rate. He offered the Council a definition of Market Value Home Credits and described how they worked. He discussed how residents could calculate their City tax bill. He explained the Council's direction was to increase the tax levy by 1% for 2018. He commented the proposed 2018 Tax Levy is 36.77%, which came in .125% under the targeted rate. He was pleased to report that property values were recovering and have seen strong growth in the last several years.

Finance Director Huss reviewed the General Fund Budget revenues and expenditures in further detail and reported on the new positions that would be hired in 2018. It was noted the majority of the general fund expenditures are for public and safety services. The General Fund 5-year projection assumptions and concerns were discussed with the Council, along with the proposed 5-year model. He described how the City funds General Fund activity. The ratio of employees to residents was reviewed and he explained the City was proud of the fact it had maintained its AA+ bond rating from Standard & Poor's. He indicated the last Council meeting of 2017 would be held on Thursday, December 21st where the final levy would be approved.

Mayor Ryan opened the Truth in Taxation Hearing at 8:47 p.m.

John Erar, 2543 Tournament Players Court, stated he has been a resident of Blaine for the past 8½ years. He expressed disappointment with the level of proposed property tax increases for 2018. He indicated the level of taxation and spending on the City's behalf would not be sustainable. He explained that taxpayers could not continue to support 10% increases in their taxes year after year. He questioned how the Council could approve a tax levy that increases funding by over \$5 million over two years. He said he did not believe it was in the Council's best interest to continue to raise taxes. He encouraged the Council to be fiscally responsible with taxpayers' dollars. He suggested the Council exercise some restraint and work to get control over their spending. He recommended the Council address the rising fund balance reserve. He believed that five months of reserves was adequate. He explained he would be paying over \$6,000 in City, County and school taxes in 2018 for a home that was valued less than it was worth eight years ago. He feared that he and his neighbors would not be able to stay in their homes given the high level of taxes being required from the City of Blaine. He explained salaries were not increasing by 10% a year in order to cover increased taxes. He believed the Council could do better and should meet further to discuss proposed decreases.

John Carlson, 10817 Stutz Street, commented that the tax rate was not sustainable. He discussed how his taxes have increased over the past two years since purchasing a home in Blaine. He anticipated that tax payers would not be able to support an increase of \$300 per year every year. He questioned what constituted the City's debt service.

Finance Director Huss explained the City had \$3.3 million in debt service and explained this was levied annually to assist with the pavement management program (PMP.)

Jerry Petron, 10450 Washington Boulevard, commented on the proposed tax increases and how this impacted those living on restricted incomes. He explained that Social Security was not increasing but his property taxes were. He suggested the City conduct a survey to see if additional parks in Blaine were necessary. He feared how taxpayers would be impacted if parks continued to be added and had to be maintained. He stated he would like to see the City turn its parks into taxable gainers instead of taxable losses.

Mayor Ryan closed the Truth in Taxation Hearing at 9:04 p.m.

Councilmember Hovland requested further information from staff regarding the parks and trails included in the pavement management program. City Manager Arneson commented on the City's PMP and park levy that would be used for park renewal projects.

Councilmember Swanson requested further information on why the City has to have such a large amount in the reserve fund. Finance Director Huss described the reserve requirements for the City and noted a 35% to 50% fund reserve was recommended. He reported the City would have a 43% fund reserve amount due to increased revenues from permit fees. He explained these unrestricted reserves would be used to purchase capital equipment which would bring the reserve amount down to the goal of 35%.

Mayor Ryan commented on the City's expense to maintain its parks.

OTHER

None.

ADJOURNMENT

Mayor Ryan adjourned the meeting at 9:11 p.m.

Tom Ryan, Mayor

ATTEST:

Catherine Sorensen, City Clerk

Submitted by TimeSaver Off Site Secretarial, Inc.