



**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 6, 2012

6:30 PM

Cloverleaf Farm Room A

Meeting Number 12-69

NOTICE OF WORKSHOP MEETING

Quorum Present.

ALSO PRESENT: Clark Arneson, City Manager; Thomas Sweeney, City Attorney; Bob Therres, Public Services Manager; Bryan Schafer, Public Services Manager; Chris Olson, Public Safety Manager/Police Chief; Ward Brown, Budget/Fiscal Analyst; Roark Haver, Communications Technician; Jane Cross, City Clerk; and Recording Secretary Linda Dahlquist.

Present: 6 - Councilmember Clark, Councilmember Kolb, Councilmember Bourke, Councilmember Herbst, Mayor Ryan, and Councilmember Swanson

Absent: 1 - Councilmember Hovland

1.0 [WS 12-63](#)

**2013 PROPOSED BUDGETS - WATER UTILITY FUND;
AND SANITARY SEWER UTILITY FUND**

Sponsors: Huss

Attachments: [2013 Water Fund Overview](#)
[2013 Sewer Fund Overview](#)

Finance Director Huss stated there is no rate increase proposed for 2013 on the Water Utility Budget and Sewer Utility Budget. He stated the Water Utility fund is designed to recover costs through fees from the 17,000 users. He noted the summer was dry and it was a good year for selling water. He stated the capital improvement plan has two primary funding sources, which are replacement component fees and a WAC fee. He stated the capital improvement plan includes equipment, well repairs, trunk oversizing, construction of two new wells (18 & 19), tower 3 reconditioning, generator maintenance at TP's 2 & 3, and scheduled debt service payment.

Councilmember Herbst asked about the water issue that was reported in White

Bear Lake. Public Services Manager Therres replied Blaine's aquifers are deeper than White Bear Lake.

Councilmember Herbst asked about over pumping the wells this summer. Public Services Manager Therres replied the City's pumping evened out. He noted that the time period from the State for the construction of new wells is narrow.

Councilmember Bourke asked about the generator maintenance. Public Services Manager Therres replied the Federal EPA standards for emissions has changed for generators, so the City needs to retrofit all of its generators in order to meet the standards and to qualify for energy credits through Conexus.

Finance Director Huss stated the 5-year projection plan includes maintaining the current staff level. He noted a small net operating loss is projected for 2016 and 2017 and that a possible rate increase or tier adjustment is proposed in 2016 and 2017 to cover costs. He stated the capital improvement plan is amended annually and \$14.5 million in improvements are planned for 2013 through 2017.

Mayor Ryan asked if the two new wells will be constructed at the same time. Public Services Manager Therres replied yes.

Finance Director Huss stated the Sewer Utility Budget is designed to recover costs through a fee from the 17,000 users. He stated the funding sources are from sewer service charges and interest earnings. He stated the operating expenditures are expected to go up 12% in 2013. He noted the City charges residents a flat rate. He stated the capital improvement plan includes equipment, mainline rehabilitation/lining, lift station 8 improvements, and sewer force main replacement. He stated the 5-year projection is for no additional staffing, the net operating income is stable through 2017, the MCES disposal charges will increase 5% annually, the depreciation will increase 4% annually as the system expands, and no proposed rate increase until 2018.

Discussed

2.0 [WS 12-64](#)

REVIEW PROPOSED 2014-2018 ASSESSING CONTRACT WITH ANOKA COUNTY

Sponsors: City Council

City Manager Arneson stated the City contracts with Anoka County through a Joint Powers Agreement, to provide for tax assessment of property in Blaine. The current agreement expires January 15, 2013 and this amendment to the JPA would extend those services for five years (through 2017). He noted the

fees for services are a function of the number of parcels assessed and the property classification of those parcels. He stated the County Assessor has not made any mid-term adjustments to JPA since its inception, so the City can expect to pay more for assessing services each year as development occurs and more parcels are reclassified from Unimproved Residential to Improved Residential.

Councilmember Swanson asked if the City could get a guarantee that there will be no blanket assessment fees and write it into the contract. City Manager Arneson replied Anoka County is adamant that the contract remain unchanged.

Councilmember Bourke asked if accessibility could be added to the contract. City Manager Arneson replied the City can ask.

City Manager Arneson commented the contract has a two-year notification of cancellation.

Councilmember Herbst asked about the cost for residential parcels. Finance Director Huss replied all residential are the same cost.

City Manager Arneson stated if the Council wants to add wording to the contract, a letter of understanding can be written as an addendum.

Councilmember Clark stated the City should have a one year opt out instead of the two year opt out.

Discussed

City Manager Arneson referred the Council to a document titled Council Questions/Comments for 2013 Budget Process. Finance Director Huss gave an overview of the budget adjustments that have been made to the proposed budget since July in order to close a budget gap which include reductions in personal services, contractual/other expenses and net miscellaneous adjustments. Councilmember Bourke confirmed the Airport Park lease is under the general fund. Finance Director Huss replied yes.

ADJOURN

The workshop adjourned at 7:15 p.m.