

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, July 19, 2021

6:00PM
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Sanders at 6:00PM.

ROLL CALL

PRESENT: Mayor Tim Sanders, Councilmembers Julie Jeppson, Chris Massoglia, Richard Paul, Jess Robertson, and Jason Smith.

Adjunct Member Drew Brown.

ABSENT: Councilmember Wes Hovland.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Lori Johnson; Senior Parks and Recreation Manager Jerome Krieger; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; City Engineer Dan Schluender; City Attorney Chris Nelson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3.1 Mary Ann Young Center Rental Discussion.

Senior Parks and Recreation Manager Krieger stated the Parks and Recreation staff are proposing an updated fee schedule for room rentals at the Mary Ann Young Center (MAYC). Comparative information on rental prices charged by the cities of Plymouth, Maple Grove and Shoreview was compiled by staff. When the new Mary Ann Young Center opened, Council approved a fee schedule for the rental of various rooms in MAYC. Initially, neither full-time nor part-time staffing was provided to monitor the building. With the need to provide a part-time building supervisor on-site for rentals at the center, Parks and Recreation staff revisited MAYC rental fees and incorporated the additional costs of this position into their rate analysis. As a result, staff is asking Council to review the recommended rate schedule for room rentals at MAYC. It is projected that room rentals would begin September 1, 2021.

Councilmember Smith thanked staff for the information. He questioned if all rooms were rented out at once, if this would be a problem for staff. Mr. Krieger reported staff had 15 to 20 part time staff members that were looking for hours and these individuals would be asked to serve as a building supervisor when MAYC was fully rented.

Councilmember Robertson stated she supported the proposed rental rates. She questioned if the city could find a lower rate to assist non-profits that need room rental space. Mr. Krieger explained the city stopped providing non-profits with free room space approximately four or five years ago. He reported this was done because the non-profits were monopolizing the room space and the city needed to make the space available to all groups in the community. City Manager Wolfe indicated staff has discussed accommodating groups at city hall in the afternoon, however staff would like to discuss this matter further with the council.

Councilmember Jeppson inquired if the rental rates for the Tom Ryan Rooms A or B included use of the kitchen. Mr. Krieger reported the fees do not include use of the kitchen. He stated staff has determined the kitchen space would not be accessible. He indicated staff could work with a caterer if an event were held in this space.

Councilmember Paul thanked staff for opening MAYC to the public. He understood there was a great demand for rental space at this time. He discussed the rental rates being charged by Plymouth, Shoreview and Maple Grove. He questioned if alcohol could be served at an event at MAYC. Mr. Krieger commented city policy states no liquor is allowed at MAYC.

Council consensus was to support the proposed rental fees for MAYC as proposed by staff and to bring forward an amendment to the current fee schedule for consideration.

3.2 Special Assessments Review.

City Engineer Schluender reviewed the purpose and authority of special assessments as outlined in the Minnesota Statutes Chapter 429. He reviewed the League of Minnesota Information Memo Special Assessment Toolkit which outlines the process a city can use to assess benefit to selected properties. Staff then reviewed how special assessments have been utilized on street reconstruction projects over the past 10+ years in the city then reviewed the different funding sources available for these projects. The current funding method used by the city is a combination of special assessments and property taxes. Other funding options including franchise fees and/or an increase to the general fund levy to remove special assessments. The pros and cons of not levying assessments was discussed with the council. Staff commented further on the importance of the city's special assessment policy and asked for comments or questions.

City Attorney Nelson provided further comment on the special benefit test noting there was a three factor test. He stated in order for a special assessment to be valid there has to be a

special benefit to the property. This means there has to be an increase in market value from before and after the project. All assessments must be apportioned in a uniform manner. In addition, the assessment cannot exceed the increase in market value.

Councilmember Massoglia asked how the court looks at the different classes of property. Mr. Nelson stated the courts look at how residential and commercial properties are assessed and if this is done uniformly. He indicated the council has discussed tax exempt properties and how these are treated. He reported Minnesota State Statute accepts assessments on government owned land, school districts, churches, etc.

Councilmember Robertson stated she was not supportive of franchise fees but could support a possible increased levy amount. She understood the city has received a lot of push back when it comes to assessments. However, she was concerned if the city made a change away from assessments, residents who already paid a full assessment would find this unfair.

Councilmember Smith commented he also favored a change to the general levy versus pursuing franchise fees. He asked if there was a cost associated with benefits. Mr. Schluender stated there was a staff cost to processing assessments.

Councilmember Paul thanked staff for the detailed presentation. He hoped that the city could rely on a levy increase and bonding if possible. He asked if vacant land was assessed. Mr. Schluender reported vacant properties are assessed based on their proposed uses.

Councilmember Jeppson indicated she did not support the use of franchise fees. She questioned if the increase to the levy would be imposed on the 2022 budget. Mr. Schluender reported this was not staff's intention.

Councilmember Jeppson stated there would be a lot more expenses coming up in the next five years for city streets. She explained she wanted a change to the levy to be fair and equitable to the residents who have been impacted by assessments from 2016 to today. Mr. Schluender commented this would have to be taken into consideration by the council. Public Works Director Haukaas indicated the change that began in 2016 was to the number of streets that were completed each year, which raised the costs to the city considerably.

Councilmember Robertson requested staff provide the council with information on how many property owners paid their assessments up front versus paying it off over 10 or 15 years. She explained she wanted whatever plan the council concluded to be fair and equitable.

Mr. Nelson explained the city would be limited in terms of how creative they get with assessments because this was a governed process. He noted the city would have to meet the special benefit test when it comes to assessments. He reported there are properties that

would pay special assessments that do not pay under the general levy, which would be something the council would have to take into consideration.

Councilmember Robertson requested staff provide the council with data on the projects that were completed that qualified for MSA or other bonding.

Councilmember Massoglia stated he would like the city to consider lowering the assessment rate for non-profits and asked staff to provide with further information on how to lower the assessment rate for non-profits and churches. Mr. Nelson explained this would not be possible given the fact the city had to have uniformity. He indicated there would be a risk that the entire assessment could be affected if the city charged non-profits a lower rate than other similarly zoned properties. He stated unfortunately the city is not able to choose from a variety of rates based on the zoning of a property. He reported if the rates were not uniform, the project could not be assessed.

Councilmember Massoglia questioned if traffic could be considered. Mr. Schluender explained projects in the past have not been brought forward for assessments based on traffic. Mr. Haukaas reported the concept of doing assessments based on travel has not been successful and noted there has been case law in Woodbury where this concept has failed.

3.3 Other Business.

Mayor Sanders asked staff for an update on the current drought situation. Mr. Haukaas discussed how the drought was impacting the state and the city's water supply. He commented on controls in place to protect the city's water supply then reported the DNR sent a letter to the city noting we were in a warning phase of severe drought conditions and requested the city put water restrictions in place. He stated this was getting closer to an emergency situation and that staff would continue to monitor. He reviewed the city's water usage from January and June of 2020 and reported the city may want to consider putting further restrictions in place in order to meet water quality goals, adding the governor may put restrictions in place if conditions continue.

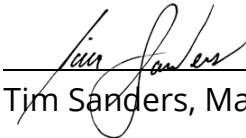
Councilmember Massoglia questioned if the city could work to enforce its watering ban ordinance. Safety Services Manager/Police Chief Podany reported the city works on a complaint basis for city code violations. He explained warnings are issued for first time offenses and increase from there. Mr. Haukaas indicated public works staff was distributing door hangers on all properties identified as watering during the day and noted the city does not have control over residents with private wells.

Mayor Sanders questioned if the city was seeing spikes in water usage overnight. Mr. Haukaas reported the city was able to track overall water draw down and there were certain spikes

during certain times of the day. He commented at this time, the city's water towers were rebounding during the work day.

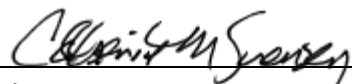
Councilmember Paul was concerned that residents may be too busy to pay attention to the city's water restrictions. Councilmember Robertson discussed how important it was for all Blaine residents to have access to clean water and suggested the city work to educate the public on how dire the situation was at this time.

The Workshop was adjourned at 7:18PM.



Tim Sanders, Mayor

ATTEST:



Catherine Sorensen, CMC, City Clerk
Submitted by Minute Maker Secretarial