

UNAPPROVED

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Thursday, November 19, 2015

6:30 P.M.
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 6:30 p.m.

ROLL CALL

PRESENT: Mayor Tom Ryan, Councilmembers Mike Bourke, Dave Clark; Russ Herbst, Wes Hovland; Jason King, and Dick Swanson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; City Attorney Patrick Sweeney; Planning and Community Development Director Bryan Schafer; Public Services Manager Bob Therres; Finance Director Joe Huss; Financial Analyst Ward Brown; Storm Water Manager Jim Hafner; Public Works Director Mike Ulrich; Police Captain Dan Szykulski; Communications Technician Roark Haver; Senior Engineering Technician Jason Sundeen; City Clerk Catherine Sorensen; and Recording Secretary Linda Dahlquist.

NEW BUSINESS

3.1 CenturyLink Cable Franchise Presentation.

City Manager Arneson introduced Michael Bradley, Attorney with Bradley Hagen & Gulikson, LLC, and Heidi Arnsen, Executive Director, North Metro TV.

Mr. Bradley gave an overview of the franchise process, which included notice of intent to franchise; CenturyLink cable franchise application; a public hearing, and staff report. He said the NSCC receives and files a report and authorizes staff to negotiate the cable franchise with CenturyLink. He gave an overview of the cable franchise considerations that includes the build-out of each member city, prohibits cherry picking, levels the playing field; and maintains the existing relationship with the Comcast franchise. He noted the build-out legal issues, which are the federal preemption of Minnesota's 5-year build statute and the reasonable build-out of each member city as required by the Federal Cable Act.

Mr. Bradley gave an overview of the reasonable build-out of the city which includes the complete equitable build-out; the initial minimum build-out commitment; 15% of each member city over two years; host quarterly meetings starting in January 1, 2016; additional build-out based on market success; and no initial mandatory line extension unless CenturyLink becomes the dominant cable provider. He noted economic red lining or "cherry picking" is prohibited by the franchise and by the Federal Cable Act. He noted that CenturyLink has a \$500 per day penalty/liquidated damage for violating build-out and economic redlining

provisions, which is not in the Comcast franchise. He stated the level playing field provisions are franchise fees (5% gross revenues), area served, and PEG requirements are the same as Comcast.

Councilmember Herbst asked about the current 5% gross revenues. Heidi Arnson replied Blaine's franchise fees are approximately \$500,000. Mr. Bradley stated the City may see a small rise in gross revenues from franchise fees from gaining new customers.

Mr. Bradley gave an overview of how CenturyLink will level the playing field that includes the number of access channels; format of access channels; electronic programming guide; channel placement; PEG access requirements; video on-demand and PEG support. He noted channel 16 will be available through the North Metro Mosaic. He gave an overview of the Twin Cities Metro PEG Interconnect that includes construction of an interconnection network; how the network allows PEG centers throughout the Twin Cities to share live programming; and that other cities must have an agreement with CenturyLink to access the network. He noted that CenturyLink will provide complimentary broadband to one location and the City will choose the location, commercial grade internet, Wi-Fi enabled, and the highest available speed at designated location. He stated in comparison to the Comcast franchise is similar to CenturyLink; although CenturyLink has only a 5-year franchise term and an additional indemnification of the City. He noted CenturyLink will pay all legal costs involved with the franchise.

Councilmember Swanson mentioned that the City of Lexington has already approved the CenturyLink franchise. He asked about the technical differences in the home compared to Comcast. Mr. Bradley stated CenturyLink will look at internet speeds in houses. He stated houses that have 25 mg or higher download speeds will get Prism cable television service and will be served right away. He stated a service center will be available.

Councilmember Herbst asked for the average bill. Mr. Bradley replied it will depend on programming choices and bundled services.

Councilmember Swanson commented when services from the provider go up so do revenues. Mr. Bradley replied CenturyLink has competitive pricing.

Councilmember Bourke asked about potential response or action from Comcast. Mr. Bradley replied there has been none so far.

Mayor Ryan commented people are going back to antennas and using Netflix. Mr. Bradley replied people are changing the way they watch television but cable is not going away right away.

3.2 Proposed 2016 Storm Drainage Fund Budget

Finance Director Huss stated staff is projecting an operating gain for 2015, which indicates current fees are adequate. He stated the proposed 2016 budget projects an operating loss due to necessary work. He noted the fund's five-year model projects continued operating losses which indicates a fee increase would be needed especially if proposed programmatic changes are approved. He stated no fee adjustment would be necessary for 2016. He noted that the 2016 expenses include one additional FTE Public Service Worker for system maintenance.

Storm Water Manager Jim Hafner stated a portion of the reserve from 2015 is intended to fund capital projects including infrastructure maintenance and replacement, and system expansion in 2016. He gave an overview of 11 projects/tasks that were completed in 2015.

Councilmember Bourke asked for the number of projects that are done in-house versus contracted. Storm Water Manager Hafner replied one project was completed in-house and the remaining 10 projects were contracted.

Storm Water Manager Hafner gave an overview of six projects proposed for 2016 on ditches, culverts and ponds.

Councilmember Bourke asked about pond dredging Centennial Green Park. Storm Water Manager Hafner replied this pond is over 30 years old and is located within a residential neighborhood. He noted the dredging of the pond involves removing 8,000 cubic yards of soil. He noted if the soil is contaminated it will be very costly to dispose.

Councilmember Bourke asked if the City has budgeted funding for soil disposal. Storm Water Manager Hafner replied depending on the cost, the City does not have funding budgeted for contaminated soil disposal. He noted he would look for State funding.

Storm Water Manager Hafner gave an overview of Blaine's existing system that includes 196 miles of storm sewer system; 30 miles of ditches; 8,779 catch basins, 2,540 flared end sections; 1,111 manholes; 70 weirs; 38 culverts; 151 sump catch basins; 14 mechanical devices; and 459 ponds. He gave an overview of why maintenance is important which includes extends the life of facilities; costs less than replacement; prevents costly associated problems; improves function of overall system; saves time and money in the long term; gives residents value; and good public relations.

Councilmember Herbst asked about the storm water fund budget for 2015 and capital projects. Storm Water Manager Hafner replied \$300,000 reserves, administrative costs, salaries and projects. Finance Director Huss replied depreciation cost is \$250,000.

Councilmember King asked about the number of staff members and job functions. Storm Water Manager Hafner replied four FTEs are under the Public Works funding budget. He noted that two FTEs are street sweepers who are shared with Street Maintenance.

Storm Water Manager Hafner stated the storm sewer infrastructure provides a public service, municipal responsibility, prevents flooding and health and safety issues, currently the City is only performing reactive maintenance.

Councilmember Bourke asked if maintenance is mandated. Storm Water Manager Hafner replied infrastructure maintenance is not mandated, reporting is mandated.

Councilmember Herbst commented slip lining is preventative work. Storm Water Manager Hafner replied one storm sewer has been slip lined. He noted that only the sanitary sewer system has slip lining.

Storm Water Manager Hafner stated staff is not suggesting a fee increase. He stated staff is requesting the hiring of one FTE.

Councilmember Hovland clarified two FTEs are shared with streets. Storm Water Manager Hafner replied yes, staff is shared between the two departments. He noted the new FTE would be paid from existing budget in Public Works. He noted that projects dictate where the staff is used.

Councilmember King asked about the staff that report to Public Services Manager Therres and the shifting of staff for projects. Public Services Manager Therres stated staff is all lumped together and with the current workload and current resources, the four FTEs are spread thin.

Councilmember King stated since staff administration is for the entire Public Works division he would support the addition of one FTE for storm water.

Public Works Director Ulrich stated the two storm water FTEs repair and re-build approximately 150 catch basins a year and then the two street FTEs repair curb and gutter.

Finance Director Huss stated the two departments have two separate funding sources.

Councilmember Herbst stated the storm water fee would have to go up if an extra staff member is hired. Storm Water Manager Hafner stated the new FTE would focus on cleaning storm sewers and that there is enough funding in the budget for the additional staff person.

Councilmember Swanson commented the current budget covers one additional FTE.

Councilmember Hovland suggested having one funding source. Finance Director Huss stated two funding sources are necessary for budgeting purposes.

Councilmember Clark questioned if projects would not get funded if one FTE is hired.

Councilmember Herbst suggested contracting the catch basin work instead of hiring.

Council consensus was not to authorize an additional storm water FTE at this time.

OTHER BUSINESS

None.

The Workshop adjourned at 7:34 p.m.

Tom Ryan, Mayor

ATTEST:

Catherine Sorensen, City Clerk

Submitted by TimeSaver Off Site Secretarial, Inc.