

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, November 2, 2020

6:15 p.m.
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 6:15 p.m. Due to the COVID-19 pandemic this hybrid meeting was held both virtually and in person.

ROLL CALL

PRESENT: Mayor Tom Ryan, Councilmembers Andy Garvais, Richard Paul, Jess Robertson, and Dick Swanson.

ABSENT: Councilmembers Wes Hovland and Julie Jeppson.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Planner Lori Johnson; City Attorney Patrick Sweeney; Communications Technician Roark Haver; and Communications Manager Ben Hayle.

3.1 TH65 and TH47 PEL Study Update.

Public Works Director Haukaas stated representatives from MNDOT were in attendance to provide the Council with an update on the TH65 and TH47 Planning & Environmental Linkages (PEL) Study.

Tony Watska, MNDOT North Area Coordinator, explained he managed the TH65 and TH47 south of 10. He reviewed the study area within the PEL Study which included the cities of Blaine, Columbia Heights, Coon Rapids, Fridley, Hilltop, Minneapolis, and Spring Lake Park. He discussed the team members from MNDOT that had worked on this study.

Jennifer Wilchen, MNDOT representative, provided the Council with an update on where MNDOT was in the PEL Study process. She reported the PEL to the north ran to Bunker Lake Boulevard in Ham Lake and was focusing its efforts on safety in the corridor and indicated the report should be finalized this winter.

David Aldeen, MNDOT representative, stated MNDOT was seeking comments from the public in order to address the needs of the community living within the study area. He understood safety was a concern for the people living within and using these corridors. He explained the data he has gathered to date was compelling as there had been 2,473 crashes in the corridor in the past five years. He reported there were 17 high crash locations that had a crash rate that was 3 times higher than other corridors in the metro. He indicated the PEL study was intended to address the problems within the corridor, which would require a great deal of public engagement. He stated MNDOT would be taking comments from the public through Thanksgiving. He encouraged Blaine to share MNDOT's website with Blaine residents. The volume and speed of traffic

within the Blaine corridor was reviewed. He commented further on the feedback MNDOT had received for the TH65 and TH47 corridors. Potential bus stop connections were also discussed. It was noted the area around 85th and Northtown Mall would be an area of focus.

Mayor Ryan stated it was shocking to people the level of trucks using these corridors then commented on how confusing it was for the City to have two Highway/County Road 10s within the community.

Mr. Aldeen questioned how people were getting to and from the mall area. Mayor Ryan explained he did not recall seeing a lot of bikes around the mall area but anticipated there were pedestrians. He stated the bus terminal at Northtown Mall was key and thanked the MNDOT representatives for all of their work on this study.

Mr. Aldeen stated MNDOT would keep the City of Blaine informed as this project continues to move forward.

3.2 2021 Tax Levy Scenarios.

Finance Director Huss stated as a follow up to the tax levy discussions that took place at the fall retreat, staff has developed additional levy scenarios for Council to consider. The preliminary levies were adopted September 21. Per Council direction, the total of all preliminary levies were set such that the combined tax rate equaled the combined tax rate for 2020 (36.802%). Under estimates based on the best property value information available from Anoka County at that time, staff estimates indicated that levies with a combined rate of 36.802% would allow for a total increase in all levies of \$2,335,000. The preliminary allocations were reviewed.

Mr. Huss explained the latest information from Anoka County indicates the preliminary levies would produce a tax rate of 35.892% - almost a full percentage point lower than the target rate. At the Council retreat held on October 3, the budget review presented that the General Fund levy could be reduced by \$600,000 and the fund would still maintain the City Charter required safe margin of revenue over expenditures. Council discussed various final levy scenarios or options and the consensus at the retreat was to revisit the discussion at an upcoming workshop and provide direction on a recommended final levy. Three levy scenarios were further discussed with the Council and staff requested feedback on how to proceed.

Mayor Ryan asked when the levy would be set. Mr. Huss reported the Council would approval the final levy on December 21 and the Truth in Taxation Hearing would be held December 14.

Councilmember Swanson stated he would like to see \$75,000 go to the bandshell then questioned what new expenditures the Council had agreed to. Mr. Huss reported he would be reviewing the new expenditures in further detail with the Council at the November 9 workshop meeting.

Councilmember Swanson commented he would support the majority of the Council regarding the 2021 budget.

Councilmember Garvais stated there was a lot to discuss in context of the budget. He appreciated the fact the City was approaching a 1% tax rate decrease, however understood that property values in Blaine were increasing. He indicated he would like to see the Council reach a 1% tax rate decrease by December.

Councilmember Robertson commented she would like to spend some time speaking with Mr. Huss further regarding the proposed tax levy. She explained if the City can find ways to cut expenses then this reduction should be passed along to the taxpayers. She discussed how the City's tax rate may be impacted in the future through continued growth.

Councilmember Garvais stated in order to get to a full 1% tax rate reduction, other minor reductions would still have to be made.

Mr. Huss reported the General Fund would not be impacted by the proposed tax levy. He explained this provides for a five year balanced General Fund Budget. He indicated if a correction to the housing market were to occur, the tax rate would be adjusted accordingly.

Mayor Ryan commented it was nice to have a little bit of a reserve within the budget.

Councilmember Paul stated the figures within the budget have given the Council the proper momentum to move the City forward in the right direction. He thanked the finance staff for all of their efforts.

3.3 Proposed 2021 Sanitation Utility Fund Budget.

Mr. Huss presented a preliminary budget for the City's Sanitation Utility Fund. The presentation provided the Council with the opportunity to review and comment on the proposed budget before it is presented to Council for formal adoption at a subsequent Council meeting. The Sanitation Fund accounts for the City's refuse and recycling program. January 1, 2016 marked the beginning of a new 5½ year contract with Walters Recycling and Refuse, Inc. to provide refuse collection and recycling services for all Blaine residents. The contract was extended in 2019 to cover the period through June 30, 2024. Staff reviewed the expenditures and revenues, along with the five-year outlook for the Sanitation Utility Fund Budget in further detail with the Council and discussed the proposed new rates.

Councilmember Paul asked if the City would be sending a letter to the residents regarding the proposed new rates. Mr. Huss explained a letter is not typically sent but notifications would be included in the utility bills.

3.4 Proposed 2021 Storm Drainage Fund Budget.

Mr. Huss stated the City's Storm Sewer Utility Enterprise Fund accounts for the operations of the City's storm drainage system. The fund was created in 2006 as staff began separately accounting for storm drainage activity. Prior to that, storm sewer operations were accounted for in the Sanitary Sewer budget. A storm water utility fee was approved by Council in 2007, and implemented in January 2008. As an enterprise fund, the utility is designed to recover the cost of maintaining the City's storm drainage system, which includes over 100 miles of storm sewer pipes, and almost 80 miles of ditches as well as numerous catch basins, outfalls, manholes, weirs, culverts, and ponds. The system serves roughly 23,000 parcels throughout Blaine. The storm sewer operation functions as a division of the City's Public Works Department under the direction of the Water Resources Manager and Public Works Director.

Mr. Huss reported the division has an authorized staffing level of 6.5 fulltime equivalent (FTE) positions, which in addition to the Water Resources Manager includes ½ FTE for supervision, 1 Working Foreman, and 4 Public Service Workers. For 2021 a request to add the position of Assistant Public Works Director (APWD) has been discussed with the Council. The proposal is to charge 25% of that position to the General Fund and each of the three utility funds. If approved, that would bring to 6.75 the number of FTE in the

Storm Sewer Utility Fund. Revenue collections for 2020 and 2021 were discussed with the Council in further detail.

Mayor Ryan thanked Mr. Huss for his report.

3.5 CARES Spending Update/COVID-19 Impact/Other.

City Manager Wolfe stated there were no updates at this time.

The Workshop was adjourned at 7:07 p.m.

Tom Ryan, Mayor

ATTEST:

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