

UNAPPROVED

**CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, June 10, 2019**

6:00 p.m.
Cloverleaf Farm Room
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 6:00 p.m.

ROLL CALL

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

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Economic Development Coordinator Erik Thorvig; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; Budget/Fiscal Analyst Ward Brown; Communications Technician Roark Haver; Charter Commissioner Al Goracke; and City Clerk Catherine Sorensen.

3.1 An Ordinance Amendment Chapter 6, Administrator of City Affairs, Section 6.05, Purchases and Contracts, of the Charter of the City of Blaine.

City Clerk Sorensen stated at the May 14, 2019, annual Charter Commission meeting, the Commission unanimously voted to approve increasing the expenditure limit for purchases and contracts by the City Manager from the current amount of \$20,000 to \$50,000 and directed staff to bring the item forward for public hearing and Council consideration as outlined in Minnesota Statutes. The proposed language was recommended in order to bring Blaine in alignment with peer cities following a review of these cities' expenditure limits, plus a review of purchases over \$20,000 since 2018 that required separate Council approval. The Commission noted purchases such as these had already been approved by Council through the annual budget process and should fall under the City Manager without additional Council approval. This process would expedite the execution of contracts and purchases while still providing Council with oversight of the adopted City budget through review of schedule of bills paid.

Ms. Sorensen explained from time to time Charter cities find it necessary to update or modify their charters to reflect current needs and expectations and State Statutes outline the process for which Charter Commissions may propose amendments. Prior to 2015, this section was last amended in 1999 when the limit was doubled from \$5,000 to \$10,000 because the Commission felt that amount was outdated. Council shared concerns during the public hearing with increasing the expenditure limit as they felt it would result in less oversight of the City budget because there would not be an opportunity to review the purchase prior to it

being made. They referred to how this does not seem to be an issue to date and how further increases may be brought forward then suggested a possible increase to \$25,000 instead and spoke about how raising the limit too high could result in budget line items being overlooked. The Council also discussed how items such as emergency repairs would be addressed. Staff outlined how any such purchases were already presented and adopted by City Council through the extensive budget process and would be included on the schedule of bills paid that is presented to Council at each regular meeting.

Charter Commissioner Al Goracke explained \$20,000 in 2008 does not have the same buying power in 2019. He commented with the hiring of a new City Manager soon, the Charter Commission supported increasing the spending limit at this time. He discussed the oversight City Council had in place to review and approve purchases being made by the City Manager that included budgeted items and review of bills paid at each Council meeting and stated the Commission supported the proposed Charter amendment.

Councilmember Robertson asked how the Charter Commission came up with a recommendation on this topic. Ms. Sorensen said this has been a discussion item for the Charter Commission on and off since 2009.

Commissioner Goracke stated he believed \$25,000 was not enough and for this reason he supported the spending limit being raised to \$50,000.

Councilmember Hovland reported he was the one that raised questions regarding this matter. He expressed concern with proper oversight on City spending, especially with a new City Manager being hired.

City Manager Arneson discussed the oversight that was already in place to review spending and purchases, adding all City purchases were subject to financial audit.

Councilmember Hovland questioned how items would be differentiated between emergency and non-emergency purchases. Mr. Arneson indicated the difference would be shown based on whether or not the purchase was budgeted for the year or not. He outlined the procedure already in place where the Mayor would declare an emergency and how authorization by the Council was requested.

Commissioner Goracke encouraged the Council to allow staff to manage the Council-adopted budget so they can focus on governing the City's constituents.

Councilmember Garvais agreed stating he supported the \$50,000 spending limit for the City Manager.

Councilmember Jeppson agreed, stating she supported staff managing the City while the Council governed the City. She reported this was a trust issue and until she had a reason not to trust staff, she would support the spending limit being increased to \$50,000.

Councilmember Paul stated he supported the City increasing the spending limit for the City Manager to \$50,000.

Mayor Ryan indicated he supported the spending limit being increased to \$50,000 as well.

Councilmember Swanson stated he supported the \$50,000 spending limit for the City Manager.

Councilmember Robertson stated this was a transparency issue and indicated she would support this item if an emergency plan was in place and if the \$50,000 approved expenditures were outlined more clearly for the

City Council. She said while she understood many of these items were budgeted she wanted the Council to have a list of these items for transparency purposes.

Councilmember Jeppson commented there were two different issues, one to allow the City Manager to spend \$50,000 without seeking City Council approval for budgeted expenditures and the other on how to manage emergency purchases. She explained the issue on the table at this time was the raising the City Manager's spending limit to \$50,000. She agreed with Councilmember Robertson that the Council should consider putting a plan in place for emergency purchases. Finance Director Huss reported the Charter does have regulations in place for emergency purchases.

Councilmember Swanson recommended expenditures by the City Manager be shown on the agenda under Communications for transparency purposes.

Councilmember Jeppson commented she would like to see the City have a list of qualified vendors for emergency situations in order to keep proper checks and balances in place. Mr. Huss discussed the processes that were in place to ensure relatives were not hired in emergency situations. Public Works Director Haukaas explained the standard procedure in an emergency situation would be for staff to try to hire a responsible contractor that was already under contract with the City.

Councilmember Hovland stated he would support this item if a special section was made on the agenda for these purchases that were between the current limit of \$20,000 and the proposed limit of \$50,000.

Councilmember Jeppson requested the Council be informed of all emergencies versus waiting until the next City Council/workshop meeting.

Councilmember Robertson supported this recommendation.

Council consensus was to direct staff to bring this item forward for Council consideration at the June 17th meeting.

The workshop meeting recessed at 6:37 p.m. in order to enter into closed session pursuant to Minnesota Statute 13D.03 subd 1(b) to discuss the compensation study and Local 165 Patrol Union labor contract.

The workshop meeting reconvened at 7:30 p.m.

3.2 Discuss Potential EDA Property Acquisitions.

Economic Development Coordinator Thorvig stated several properties are currently for sale that are either within identified redevelopment areas in the 2040 Comprehensive Plan or are potential redevelopment sites. He discussed the three potential redevelopment sites in detail with the Council and requested feedback on how to proceed.

Councilmember Hovland stated he lived close to the former Jimbo's Restaurant site and spoke about the possibility for redevelopment in this area and to consider purchasing the adjacent homes in order to create a larger redevelopment project.

Councilmember Robertson questioned the cost to create a stormwater pond. Mr. Haukaas explained the majority of the expense to the City was in purchasing the land for these facilities. He discussed how the watershed district requirements were changing to require more regional stormwater treatment facilities.

Councilmember Robertson stated she supported the Jimbo's site being purchased for a stormwater pond.

Councilmember Swanson supported the City purchasing this property.

Discussion was held on potential offers. Mayor Ryan suggested staff speak with the neighborhood to see how they would feel about a small coffee shop or other neighborhood business on this site.

Councilmember Robertson questioned how much money the EDA had to purchase land. She asked if the vacant lot off of 105th Avenue had a fair asking price. Mr. Thorvig reported the EDA had sufficient fund balance to purchase properties for redevelopment then noted the asking price for this parcel was \$375,000 and the assessed value was \$360,000.

Councilmember Swanson stated he supported purchasing the home at 8839 Central Avenue. He commented on the history of this property and noted the City had stated in the past they would pay market value for this home if the original owner remained in the home. Mr. Thorvig explained the home was now in a trust and the property owner's family was handling the sale of the property.

Council consensus was to direct staff to investigate the purchase of the three properties.

3.3 2020 General Fund Budget Development Workshop.

Mr. Huss stated the 2020 budget process is underway and staff has begun to prepare budget proposals for Council review. As in previous years, the 2020 Budget is being prepared under the assumption that the total of all city and EDA levies would be set at an amount such that the combined tax rate for all city and EDA levies would not exceed the 2019 overall combined tax rate of 36.806%. Current estimates indicate the capacity to increase overall levies by \$2.8 million and remain at the target rate. Throughout the budget process, Council will have the ability to reprioritize both the total levy amount and the levy allocation to fit Council priorities. Pursuant to the proposed schedule, staff will present for Council's review the departmental requests that are currently under Finance Department review. The budget requests will initially be reviewed by Finance staff before moving on to the City Manager. The review will be based on the service assumptions and priority-based budgeting methods that have been developed over the last several years as well as making efforts to align the budget with the strategic plan currently being developed. Staff provided further comment on the budget timeline and requested feedback from the Council on priorities for the 2020 budget.

Mayor Ryan stated sufficient election staffing needs to be a priority to the City in 2020.

Councilmember Jeppson stated she would like 2020 to be a year when the City reviews and evaluates internal processes for efficiencies.

The Council thanked Mr. Huss for his thorough report.

3.4 Naming of New Senior/Activity Facility.

Public Services Manager/Assistant City Manager Therres stated at a Senior Advisory Committee meeting earlier this year, the topic of naming the new Senior/Activity Facility currently under construction was discussed. The Current facility name is the Mary Ann Young Senior Center, who was the City's first Senior Programs Director and driving force in getting the first Senior Center Facility built in 1982. After discussion, the Senior Advisory Committee is recommending the new facility be named the Mary Ann

Young Center. They wanted to drop the word “senior” to recognize that other programs will take place there as well as eliminate the confusion that it is not a residential senior home. The Senior Advisory Committee is also recommending that the large dining/activity room be named the Thomas Ryan Room in recognition of the Mayor’s long-standing efforts on behalf of seniors in our community.

Councilmember Hovland recommended a commemorative plaque be posted in the new senior facility to explain who Mary Ann Young was.

Council consensus was to support the proposed name for the senior center to be the Mary Ann Young Center and dining/activity room to be the Tom Ryan Room.

OTHER BUSINESS

Councilmember Swanson suggested including a redevelopment question for the upcoming City Manager interviews. The City Council supported this recommendation.

The Workshop was adjourned at 8:25 p.m.

Tom Ryan, Mayor

ATTEST:

Catherine Sorensen, CMC, City Clerk
Submitted by TimeSaver Off Site Secretarial, Inc.