

## **UNAPPROVED**

**CITY OF BLAINE  
ANOKA COUNTY, MINNESOTA  
CITY COUNCIL WORKSHOP  
Thursday, December 13, 2018**

6:30 p.m.  
Cloverleaf Farm Room  
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 Dave Clark, Andy Garvais, Wes Hovland, Julie Jeppson, Jason King, 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; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Attorney Patrick Sweeney; Budget/Fiscal Analyst Ward Brown; Communications Technician Roark Haver; and City Clerk Catherine Sorensen.

#### 3.1 Aveda Solar Project.

Planning and Community Development Director Schafer stated Aveda Corporation has submitted a concept plan for ground mounted solar generation. They have also researched the possibility of a significant roof mounted system but have decided to pursue the ground mounted as it is slightly more efficient and does not interfere with other roof mounted mechanical systems and changes on the roof that might come in the future. Lastly, they have enough unused land that is large enough to make the system work economically. The system would be placed on the parcel located at the intersection of Lexington Avenue and Pheasant Ridge Parkway. This open property, just under 6 acres, is zoned Planned Business District and could be used for either industrial, office or retail development, however Aveda, and their parent company Estee Lauder, have preferred to not see it developed. They now feel that solar at this location, while meeting a portion of their own energy needs, would also be a visible demonstration of their commitment to clean energy and the environment.

Mayor Ryan stated he supported the proposed solar project.

Councilmember Hovland asked if the solar project would go into their grid or asked if there would be battery power storage. Dan Barry, Aveda representative, introduced himself to the Council and noted he was exploring battery storage for the solar project. He commented further on the peak demand Aveda had for their site.

Councilmember Clark asked if this property was part of the TIF district. Mr. Schafer reported this property was not part of a TIF district.

Councilmember Clark expressed concern with the fact this corner would not be fully developed but said he understood that Aveda owned the property and encouraged them to create an aesthetically pleasing solar project.

Mr. Barry reported this would be Aveda's plan.

Councilmember King stated he was not opposed to the proposed solar project.

Councilmember Hovland questioned what kind of payback the project would have. Mr. Barry stated it would take 15 to 20 years for Aveda to receive a payback.

Councilmember Swanson stated he supported the solar project.

While the Council would prefer actual development of the site, Council consensus was to support the proposed solar project.

### 3.2 Reasonable Accommodation Ordinance (Sober House).

Mr. Schafer stated a private group (One Love Housing) has come forward to request that the City consider setting up a process that would allow a private provider to operate a single-family home as a multi-person sober house. This has been occurring in other communities and each city has been asked to address this in a similar manner, consistent with the language found in the Fair Housing Amendment Act of 1988, through the adoption of a Reasonable Accommodation License. The Fair Housing Act directs that individuals recovering from addiction are federally protected as a disability group and therefore should receive reasonable accommodations from cities for their lodging and addiction support. An issue in most cities is the definition of family. Blaine, as is the case in several other cities, defines family, when not related, as not more than four (4) unrelated individuals. Currently in the City of Anoka this same group is seeking a license for up to 7 unrelated individuals and their staff was recommending not more than four (4) per their definition of family.

Samuel Merrit, One Love Housing, explained he had completed review of several city ordinances including Minneapolis and St. Paul and commented further on how a reasonable accommodation ordinance would benefit the City.

Councilmember Hovland asked what would be the difference between a group home and a sober house. Mr. Schafer explained there were different State and Federal laws that regulate residential based disabled individuals. He commented sober houses were independent and were not part of a State regulatory process.

Councilmember Hovland indicated while there was a need for this type of housing he did not want this ordinance to allow an opportunity for Blaine residents to use a spare bedroom in their home for a sober house.

Councilmember Swanson reported the Council would have to make sure a stable environment was created for sober houses.

Councilmember Clark agreed with Councilmember Hovland's concerns and stated he supported moving forward with a draft ordinance as long as it included minimum square footages and addressed parking

requirements. He commented further on how important it would be to have the right organization operating the use.

Councilmember Jeppson stated she was open to considering a reasonable accommodation ordinance and recommended certain processes be put in place to ensure the sober house programs were legitimate and had proper measurements in place.

Further discussion ensued regarding the zoning requirements that would be needed to be in place for such an ordinance.

Councilmember Clark asked if sober houses were typically new construction or renovated existing homes. Mr. Barry commented that typically sober houses were established in a renovated existing home.

Councilmember Garvais questioned if Blaine had an adequate housing stock that could fit the model of a sober house. Mr. Barry stated a floor plan and bedroom dimensions would have to be reviewed with staff.

Councilmember Hovland indicated he liked the idea and believed it should be further explored but had questions with the time limit individuals could live in the sober house. Mr. Barry stated there was typically a six-month minimum for the stay.

Council consensus was to support creating a reasonable accommodation ordinance that addressed parking requirements for this use.

### 3.3 Request to Reopen Garbage, Recycling Contract for Changes to Recycling Program.

Finance Director Huss stated at the October 11, 2018 Workshop, representatives from Walters Recycling and Refuse updated the City Council on a number of issues that are occurring in the solid waste and recycling field, including the collapse of recycling markets for material collected and processed in the United States. These changes in the recyclables markets have forced Walters to pay a substantial commodity charge to offload collected recyclable materials. As provided in Section 4.6 of the Walter's contract, in the event of a substantial market change in any of the Recyclable Material commodity prices either party (the City or Walters) may request to reopen negotiations for the amount per month charged for Recycling Collection services. Walter's is making that request at this time.

Mr. Huss explained under the current contract, Walters was responsible for the marketing of all recyclable materials collected and retained all sales proceeds from marketing recyclables. With changes in the recycling markets causing Walters to now pay a net fee for the disposal of recycling material, Walters is proposing a change wherein recycling collection would work in substantially the same manner as the garbage and refuse disposal with the City paying the cost to market or dispose of recyclables. Per the proposed change, the contractor shall pay to the City all of the proceeds it receives from the applicable recycling facility, if any, arising from the recyclable materials it delivers to such facility pursuant to the terms of the agreement and to the extent such recycling proceeds are less than disposal fees arising from the disposal of the recyclable materials, the City shall pay contractor the net disposal fees relative to the same.

Councilmember Clark commented on how prices were on the rise for recycling. He asked if this was the only change Walters was seeking at this time. Mr. Huss reported this was the case.

Councilmember King stated he supported reopening the contract. He asked if the contract could be renegotiated if recyclable prices were to drop. Mr. Huss anticipated this would not occur.

Councilmember Clark questioned if the contract should have an escalator or de-escalator tied to the agreement if the situation were to change. Mr. Huss commented Walters has an expense to take care of the recyclables. He noted there was no escalation clause but rather was based rather on the total invoice.

Councilmember Hovland asked if the increase would be passed along to the homeowners. Mr. Huss reported disposal costs have gone down because of the closing of Great River Energy, therefore, an increase would not be passed along to homeowners.

Councilmember Jeppson inquired why there was an urgency to renegotiate the contract. Mr. Huss stated there was no sense of urgency and commented further on the intent of the garbage and recycling contract, noting the terms of the contract were for five and a half years.

Council consensus was to direct staff to bring this item back to the December 20<sup>th</sup> Council meeting for consideration to reopen the contract.

#### 3.4 Proposed Median Landscaping Improvements.

This item was postponed to the December 20<sup>th</sup> workshop meeting.

#### 3.5 Revising Special Assessment Policy.

Councilmember Swanson questioned if the Council should be discussing this, at this time, or if the discussion should be held in 2019 with the new Councilmembers. Public Works Director Haukaas requested the Council hold a preliminary discussion this evening due to timing of upcoming assessments and that he had forwarded this information to the new Councilmembers-Elect.

Councilmember Clark requested staff provide a brief overview on the policy and not discuss the entire history.

Mr. Haukaas stated in conjunction with the creation and implementation of the Pavement Management Program (PMP) in the fall of 2010, the City of Blaine made significant revisions to the Special Assessment Policy to create a workable assessment policy that was fair to all property owners while providing reasonable funding sources to sustain an ongoing PMP. Prior to these revisions, 100% of all street reconstruction project costs were assessed to benefitting properties and bituminous overlays were not assessed at all. Staff reviewed the assessments rates that were adopted after revising the Special Assessment Policy and requested feedback from the Council.

Councilmember Garvais stated he supported the City completing a per lot assessment versus the linear foot. Mr. Haukaas commented on the history of the City's street improvement projects and the understanding the City had on costs. He indicated the per lot assessment has benefitted residents.

Councilmember Jeppson stated she anticipated some neighborhoods would fully support the per lot assessment while other neighborhoods with larger lots should have the linear foot assessment. Mr. Haukaas reported the per lot assessment policy has been used in established neighborhoods in the City. City Engineer Schluender explained staff had reviewed larger lots that could be subdivided in the past and charged them a per lot equivalent rate for their assessment.

Councilmember Jeppson stated she believed this makes things more equitable.

Further discussion ensued regarding per lot versus linear foot assessing.

Councilmember Clark explained he supported an increase in the rates as it would assist the City in completing its streets.

Councilmember Hovland expressed concern with the proposed increase. Mr. Haukaas stated this was a concern, but noted the increase would help achieve the City Council's goal of the Pavement Management Program (PMP) and completing more of its streets.

Councilmember Jeppson indicated there has to be an additional cost to residents because there is an additional cost to the City. She commented on how important it was for the City to make progress on its streets.

Councilmember King stated he understood Councilmember Hovland's concerns but stated he was not opposed to the increases within the assessment policy but suggested ceasing the PMP instead.

Councilmember Swanson discussed how street costs have increased over the past 10 years and indicated the PMP was not going to cover these overages. He noted the City was falling behind in street reconstruction and had to make a change to move the City's street program forward.

Mr. Huss described the City's current levying capacity and noted the City did not have enough capacity to cover its streets and operations going forward. He explained that by going to a 50% assessment rate, the City's debt levy would be reduced by \$1.7 million annually.

Mayor Ryan stated if the assessment rates were not increased the City would be doing its residents a disservice. Mr. Haukaas indicated he believed the proposed 10-year plan would assist the City in catching up on its streets.

Councilmember Hovland explained he understood street expenses were increasing. He stated he believed the overall program was good, but wanted to better understand the proposed increases.

Councilmember Swanson questioned how Blaine compared to other communities. Mr. Haukaas stated Blaine was still quite low when compared to other cities.

Councilmember Swanson requested staff provide the Council with further information on how other cities manage their assessment policies.

Councilmember Garvais asked what the length of the assessment term would be. Mr. Haukaas stated this would be 10 years.

Councilmember Garvais questioned if the City would have programs in place to assist residents that need help paying their assessment. Mr. Haukaas reported there was a deferral process.

Councilmember Swanson recommended the Council further review the deferral program. Mr. Huss explained this may require the City Council to amend its charter. He stated another option would be to extend the assessment period to 15 years.

Councilmember King asked when the new policy would be implemented. Mr. Haukaas explained his plan would be to implement the new plan in 2019 after further review by the Council in January.

Councilmember Hovland stated he had mixed feelings regarding the assessment policy. He indicated he would like to see more numbers on whether the City was proposing 33% or 50% assessments and noted he may support extending the assessment period.

Councilmember Garvais requested staff outline mitigation options that addressed hardships.

Council consensus was to generally support the revised policy. Council requested staff present other cities' policies for review and research mitigation options for those with hardships, etc.

3.6 Vacation and Sick Leave Policy Review.

This item was postponed to the December 20<sup>th</sup> workshop meeting.

3.7 Appointment of Liaisons to Various Boards and Commissions.

This item was postponed to the December 20<sup>th</sup> workshop meeting.

3.8 City Manager Recruitment.

This item was postponed to the December 20<sup>th</sup> workshop meeting.

**OTHER BUSINESS**

None.

The Workshop was adjourned at 7:59 p.m.

---

Tom Ryan, Mayor

ATTEST:

---

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