

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, June 8, 2020

7:30 p.m.
Virtual meeting due to COVID-19 pandemic

CALL TO ORDER BY MAYOR RYAN

The meeting was called to order at 6:15 p.m. Due to the COVID-19 pandemic this meeting was held virtually.

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 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 Christopher Nelson; Recreation Manager Nate Monahan; Communications Technician Roark Haver; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3.1 Kingdom Baking Grant Request.

Community Development Director Thorvig stated the property at 10130 Sunset Avenue is owned by Zongo Properties. The property is 23,087 square feet and consists of a vacant, dilapidated gas station. The owner received original approvals on March 3, 2016 and subsequent approvals on April 1, 2019 to construct a new bakery on the property. The project involves removing the existing building, constructing a new building and making various site improvements. The owner obtained a building permit on March 26, 2020 to allow for construction of the new building. The owner has made a request to the City to purchase the property for \$300,000 or provide a grant in the amount of \$50,000 to assist in building demolition/site improvements. The city council discussed the property purchase requested in a closed session on June 8, 2020. A narrative has been provided by the property owner outlining the reasons for the request. The owner has indicated a grant in the amount of \$50,000 will allow him to start the project.

Mr. Thorvig reported financing has been a continuous challenge for the property owner. Staff has worked with the owner since the original approval in 2016 on various financing options. Staff has offered the Blaine Small Business Loan Program along with providing him information on other financing/grant options through other entities. The EDA/city council recently considered a similar request for the Fresh Picked Pizza project. In this instance, the business owner was requesting \$72,500 in assistance for demolition and site cleanup. The EDA/city council approved a loan for this project. If there is interest in assisting the project, staff would propose a loan with similar terms.

Francoise Zongo, 2386 Cloud Drive, thanked the Council for considering his grant request. He explained he had financing in place for the bakery and the contractor has since backed out. He stated expenses have since increased and the new amount he needed was more than the \$340,000 he was approved for with the bank. He understood this project was dragging on but stated this was his last appeal to get this project moving forward. He commented the building required asbestos abatement and this had to be done prior to the building being torn down. He indicated he has spent \$42,000 on the building and could not take out any other loans for this project. He requested the Council consider approving a \$50,000 grant to allow him to move forward with Kingdom Bakery.

Councilmember Hovland asked what the requirements were for the City's small business loans. Mr. Thorvig reported the small business loan program requires an application and the underwriting is completed by a third party. He reported with Fresh Picked Pizza, the City waived this requirement, which could be done for this applicant as well.

Councilmember Hovland stated he could support staff's recommendation for a \$50,000 loan but not a grant.

Mayor Ryan commented the City has worked for a long time with Mr. Zongo on this project and the City was told this building would be demolished several years ago. He explained he went supported Mr. Zongo to allow for the drive-thru and have the greenspace reduced, while the City received nothing in return. Mr. Zongo stated he appreciated this and explained business was difficult at this time. He indicated he has been trying, he received a loan and the contractor walked away. He reported the issue with the loan was that he had to make payments or he would default on the loan. He stated taking out more debt would not help him accomplish the project at this time. He explained he did not have more money to make these payments. He requested the Council consider allowing him to have a \$50,000 grant.

Councilmember Paul stated he was in favor of supporting this business along with the staff recommendation. He explained he would like to see this business moving forward.

Councilmember Garvais commented he was torn on this issue. He explained this project has been going on for a long time and he understood the owner was facing difficulties. However, the City had approved a loan for Fresh Picked Pizza last month and this request was similar (blighted sight, COVID concerns, etc.). For this reason, he could support a similar loan as was granted to Fresh Picked Pizza with a 10 year term with zero interest for the first three years and payments not beginning for two years. He indicated he was not willing to go above and beyond this. He stated the only reason he was willing to go forward with the loan was because the site was blighted.

Councilmember Jeppson indicated this has been a project for a number of years and the City has been more than willing to work with this small business owner to make this project work. She commented this was a different situation because she recalled Mr. Zongo stating to the Council a year ago that he did not want the City's money but now, a year later, Mr. Zongo was asking for money. She stated she did not support the loan for Fresh Picked Pizza and she would not be supporting a loan for Mr. Zongo. She explained the only way she could support this loan was if a third party was involved to ensure a quality project would be completed. She feared if the City continued to partner with this business that the project would continue to drag on and additional requests for funding would be made.

Councilmember Robertson stated she was frustrated with the fact the back up plan for businesses is to come to the City for funding. She believed the City and its staff was very business friendly then commented because the City granted one request another request has to also be approved and was concerned the Council was establishing a dangerous precedent.

Councilmember Hovland explained at this time the Council was not in support of a grant, but a small business loan may be an option for Mr. Zongo.

Further discussion ensued regarding the structure of the City's small business loans.

Council consensus was to direct staff to speak with Mr. Zongo regarding obtaining a small business loan but not a grant.

3.2 Capital Improvement Bonds – Required Uses and Spending Timeline.

Finance Director Huss stated in August 2019, the City issued what are known as Capital Improvement Bonds to fund the renovation and third floor expansion of City Hall. Staff discussed the policies and procedures that must be followed in order to issue Capital Improvement Bonds and described how the City's bond rating would be impacted through the issuance of bonds. It was noted the issuance of this debt was the culmination of a planning process that began in the fourth quarter of 2017. A chronology of the City projects was reviewed with the Council and staff requested the Council consider the information when approving the next steps in the City Hall expansion project.

City Manager Wolfe reported staff did not believe the City Hall expansion project could be put on hold. She commented in 2002 when the project was approved the Council had great vision and included a third floor for expansion. She noted the City had added 33 positions since 2002. She discussed the status of the Capital Improvement Bonds and explained it would be wise for the City to continue with this project. She indicated the bidding environment was good at this time.

Mayor Ryan discussed the growth that has occurred within the Blaine Police Department. He noted another female officer was recently sworn in and the female officers within the department do not have adequate restroom/locker room facilities. He supported finishing City Hall because the need was there.

Councilmember Garvais agreed the Council should move forward with this plan. He explained he spoke with the Police Chief prior to this meeting and as the City grows it would be more important to hold other jurisdictions accountable to provide policing within Blaine and recommended the Council discuss sub-stations for the Sheriff's Department and the State Patrol within Blaine. He indicated he would also like to further discuss the protective glass at the City Hall counters.

Councilmember Robertson commented she voted no on this project. She stated she was having a difficult time rationalizing an expansion of City Hall when the building was practically empty at this time. She indicated she fully supported the Police Department but questioned the need for all proposed amenities throughout the entire City Hall expansion. While she understood the Police Department needed additional space but was concerned the proposed plans deviated from the original plan. She explained she would have a difficult time rationalizing a \$4.2 million project that was doing a lot more than just adding onto the Inspections and Police Departments, especially given the timing and situation surrounding COVID.

Councilmember Swanson stated the Council has already approved the project and issued the bonds. He indicated a lot of the audio/visual equipment was just bringing the building up to community standards, given the fact the building was so far behind. He reported the Police Department needs to be expanded and the rest of the City's employees needed improved working conditions given the crowding that has occurred. He explained as the Police Department begins to take up more of the 1st and 2nd floors the remaining City employees will have to be shifted to 3rd floor and stated he was in favor of everything in the plan, even though he believed the plan should include more conference rooms. He believed the City was in the best

possible time to bid this project given the fact the economy was down. He indicated this project would put people to work and the project expense may even come in below \$4.2 million. He recommended the project move forward.

Mayor Ryan hoped that the project would come in under budget as well then asked if the election equipment would remain stored at City Hall. City Clerk Sorensen reported this was the plan.

Councilmember Paul stated this was a good project and understood the Police Department was in need of more space. He questioned how long the City had until the bonds lapsed. Mr. Huss reported the bonds would lapse in three years from the date of issuance, which would be August of 2022.

Councilmember Paul commented he supported the project moving forward at this time.

Mayor Ryan questioned if the project was bid if the process would stop for the bonds. Mr. Huss reported the deadline was dependent upon substantial completion of the project.

Councilmember Jeppson thanked staff for the thorough presentation. She stated she understood the situation but did not appreciate the optics. She anticipated staff would have a very big job trying to explain what was happening at City Hall, given the fact the City cannot find enough funds to mow grass or open the beach. She said she was concerned the perception of this project would be damaging to the City then requested changes to the renderings that would allow City Hall to remain open in the event of another pandemic. She commented if this project were to move forward, she wanted it to be done right so the City could be ahead of the curve.

Councilmember Hovland indicated the City has funds available for specific things. He explained this was unfortunate, but it was a fact. He reported the City had the money for the City Hall expansion and he supported it moving forward.

Councilmember Swanson asked if this project were to not move forward and the bonds were to lapse, how would this impact the City's AAA bond rating. Mr. Huss reported the City's bond rating would be adversely impacted.

Mayor Ryan stated at this point, given the fact the bonds were issued for this project, he believed it was in the City's best interest to move forward with the expansion project at City Hall.

Councilmember Robertson explained she did not want the City to default on the bonds. She understood the value of the City's AAA bond rating. She indicated she was not saying to postpone the project but stated she was really struggling with the perception of this project.

Mayor Ryan reported the Council was proposing to spend the bonds on permanent structures and not on frills. Ms. Wolfe explained staff was proposing to hold individual meetings with the City Councilmembers in order to review the plans for City Hall. She noted conference and community meeting room space had been included in the revised plans, but this would increase the cost.

Mayor Ryan stated he supported the Council discussing potential substations for the County and State Patrol Departments.

Council consensus was to direct staff to move forward with the plans and report back to the Council at a future meeting.

3.3 Emergency Declaration Impacts.

Ms. Wolfe stated at the June 1, 2020 regular meeting, City Council voted to extend the COVID-19 pandemic Emergency Declaration until June 16, 2020. This item was placed on the workshop agenda for purposes of discussing clarification regarding in-person and virtual public meetings and other impacts of allowing the Declaration to expire.

Ms. Wolfe discussed how things had changed given the new executive order that was issued by Governor Walz last Friday. She reported the dial had been turned a fair amount and after speaking with the City Attorney there are still two benefits of continuing the emergency order. These benefits were to allow for purchases over \$50,000 without going through the bid process and allowing the City to continue holding meetings virtually. She explained her concerns were being reduced and she did not believe there was a need to extend the emergency declaration beyond June 16.

Councilmember Swanson stated if the emergency declaration were to lapse, he was concerned with the fact members of the City's Commissions would now be expected to attend meetings in person. He asked if virtual meetings would still be an option for members concerned for their health given the COVID-19 pandemic was still an issue. City Attorney Nelson stated there would be a way to get this done and reported the City Manager or the City Attorney could declare that it was not prudent to hold the meeting in person given the health pandemic. That declaration does not prevent people from attending the meeting in person, but would allow individuals and members of the public to attend virtually.

Ms. Wolfe commented staff was concerned about how the technology would work doing a meeting that was both virtual and in person as other cities have reported this hybrid approach was challenging. She reported staff would be working to install temporary plexi-glass, would be spacing out seating and provide cleaning stations in the Council Chambers. She indicated the Clover Leaf Room would have to be prepared for overflow and stated the goal would be to hold in-person meetings in July.

Mayor Ryan reported he viewed the in-person Coon Rapids City Council meeting as an example and understood this was a sensitive subject matter but noted he would like the City of Blaine to be operational and holding in person meetings by July. He wanted to see the City getting back to work on behalf of the residents of Blaine but also wanted to ensure that the City was doing things right.

Councilmember Garvais appreciated the explanation from the City Attorney. He advocated for the hybrid model for City meetings going forward. He stated he was a proponent for opening up meetings and for the City to start getting back to a new normal. He supported the City keeping the option open for individuals to attend either in person or virtual then commented he did not expect all City staff to be back in the office on July 1.

Ms. Wolfe reported the goal of staff would be to hold the last virtual meeting on June 15 and the first in person meeting held on July 6. She commented her only concern with holding the in-person meeting in July was if the City would be able to install plexi-glass in time in the Chambers.

Councilmember Jeppson asked what the requirements would be to allow a Councilmember to attend virtually. City Attorney Nelson reported the hybrid model would allow Councilmembers to dial in, as would the public. He stated the only requirements would be for the City to have the technology available and for one member of the City Council to be present at City Hall. He noted members of the public could be present for the meeting at City Hall. He reported votes would still have to be conducted via roll call with a hybrid meeting.

3.4 COVID-19 Impacts.

Ms. Wolfe explained staff had updates for the Council regarding COVID-19 impacts.

Mr. Thorvig discussed how local restaurants were now able to be open with outdoor seating, with up to 250 outdoor seats. He noted the City had five businesses that have applied for temporary permits.

Ms. Wolfe commented on the plans that were in place that would allow critical businesses in Blaine to reopen. She reported citizens were coming to City Hall, not realizing it was closed. She indicated staff was looking to purchase software that would allow staff to set up appointments at City Hall. She believed this software would improve operations on behalf of the community. She reported staff was looking at installing temporary plexi-glass in order to keep these in person meetings at City Hall safe for City employees. She commented City of Blaine staff would be ramping up slowly in order to protect its daytime responders to the SBM Fire Department.

Communications Coordinator Hayle reported the appointment software was extremely easy to use and noted the City of Plymouth had already implemented this program. He hoped the City would have this program in place early next week.

Ms. Wolfe indicated the City would have to consider what type of policy to put in place regarding the use of masks at City Hall, when it reopens. She explained she would like to have employees wearing masks during the day for health and safety purposes. She commented the City Council would have to determine if masks would be required at evening meetings. She noted the City would have temporary masks available for visitors to City Hall.

Ms. Wolfe discussed the events that have been occurring at the beach and noted staff had a presentation for the Council.

Recreation Manager Monahan stated after reviewing the executive order that was issued by the Governor on Friday, City staff was confident the beach could be reopened in a safe manner. He discussed the comments staff has received from the public regarding the beach. He reported staff was proposing to hire seasonal recreational staff to only work at the beach from 10:00 a.m. to 8:00 p.m. daily. He stated he would hire four staff members and one member would work at a time. He explained the Public Works Department would continue to mow the park and groom the beach. He indicated social distancing would be required to keep everyone safe at the beach. It was noted four additional portable toilets would be added to the beach area. The cost for the toilets, water testing and staffing was reviewed in detail with the Council. He commented further on how the beach would be staffed in order to keep personnel safe. Staff would monitor and report back to the Council regarding the beach opening. The next steps would be for staff to hire seasonal staff and for the beach opening to be communicated to the public.

Mayor Ryan explained he was at the beach twice this week. He commented on the behavior he observed and shared concerns regarding water safety. He understood parents were looking for things to do for their kids at this time and hoped the behavior at the beach would be safe.

Police Chief/Safety Services Manager Podany discussed an event that was occurring at the beach at this time that involved 300+ people and many people were calling 911. He reported multiple squads were at the beach at this time and the situation was being shut down.

Councilmember Robertson questioned when the beach would be open to the public. Mr. Monahan hoped to have the staff members hired in order to have the beach open by Friday. He indicated he would be monitoring the beach Tuesday through Thursday from 3:00 p.m. to 8:00 p.m.

Councilmember Robertson stated she would be available to assist staff for the remainder of the week. She recommended the restrooms remain closed for the season and that costs be further assessed and brought back to the Council. She indicated the situation occurring at the beach right now was the Council's biggest concern. She explained the beach belongs to the residents of Blaine and she encouraged City staff to get the message out to the public that they are to respect this space.

Chief Podany anticipated there would be people arrested at the beach this evening.

Councilmember Garvais commented on how the seasonal staff members would impact the budget. He requested feedback from staff on how the seasonal employees would be funded. In addition, he stated he was not sold on the idea of additional portable toilets versus having the restrooms available to the public. Ms. Wolfe explained even though the beach was signed as closed, there has been as many as 200 people there. She indicated the beach would be an unavoidable cost even if it were to remain closed. She stated with the reopening the proposed revenue losses and deficits may not be as significant as staff originally projected. She reported the expense to open the restrooms would be quite a bit more versus having portable toilets. Mr. Monahan stated if the restrooms were opened the City would have to add another staff member due to the cleaning and sanitizing that would be required. He commented it would cost the City \$9,000 to hire another seasonal staff member or \$1,500 for the additional portable toilets. He explained staff was not planning to turn on the shower towers or drinking fountains at the beach.

Councilmember Jeppson thanked Mr. Monahan for his thorough presentation. She explained the Council was trying save the City money but it was clear the Council could not trust the public to stay off the beach. She shared her disappointment and said she hoped the situation would not become volatile.

Councilmember Paul understood residents wanted the beach open, but with COVID-19 the City had to comply with the executive orders being handed down from the State. He stated he was pleased the City was working to reopen the beach.

Mr. Huss explained staff was still compiling the financial information through May and this information would be available to the Council next week. He commented on how the seasonal employees would impact the budget and noted these costs could be offset by the loss of seasonal positions within the Public Works Department. He did not anticipate hiring seasonal employees for the beach would negatively offset the 2020 budget.

3.5 Review of Safety Services 2019 Accomplishments.

Chief Podany provided the Council with a presentation on 2019 statistics, cost savings and accomplishments. He reported 11 new officers were hired and over 43,000 calls for service were responded to by the department last year. He reviewed the number of calls for service from 2019 noting calls for service were on the rise. The types of crimes that occurred in 2019 were discussed with the Council. He commented there had been an increase in the number of gun permits issued in 2020. Cost savings measures taken on by the department were reviewed, which included changing cell phones to First Net through AT&T, along with receiving reimbursement for officer vests. He described the user friendly staffing program that was being used by the Police Department and stated this program was saving a great deal of staff time. The department-wide accomplishments were discussed in further detail and he proudly reported his department

came in under budget. He commented on how the department's Facebook page and other social media outlet followings had increased in 2019. He described the community outreach events that occurred and noted the number of community members who had been involved in each of these events. The transition to the new pawn tracking system was noted. Operations and calls for service for the Fire Department was reviewed. Lastly, he commented on the large events that occurred in Blaine, which included the 3M Golf Open.

Mayor Ryan thanked Chief Podany for his thorough report. He stated this department does great work on behalf of the community and recommended the report be placed on the City's website for the public to view.

Councilmember Robertson asked if the Police Department came in nearly \$1 million under budget. Chief Podany reported this was the case and noted the shortfall was due to a staffing shortage.

Councilmember Robertson commended Chief Podany and the entire Police Department for their tremendous efforts on behalf of the community and stated she appreciated Chief Podany's commitment and dedication to the City of Blaine.

Mayor Ryan stated he has received some questions from the public regarding how the department operates. He explained he was so impressed by how well this department works for the community. Chief Podany reported he had received calls from the public regarding the department's use of force policies. He explained his officers had put in over 1,400 hours in the past two weeks on top of the normal hours assisting neighboring communities through the civil unrest. He explained he would be seeking reimbursement for this assistance. He discussed how body cameras were utilized by his officers. He reviewed the department's use of force policy, how use of force reports are tracked and commented on the training his officers receive on a yearly basis. He reported choke holds were not taught to officers as an authorized use of force unless an officer's life was on the line. He stated a duty to intervene policy was being drafted by the department. He indicated he was proud of the culture that had been established within the Blaine Police Department. He stated as tragic as the event was that occurred in Minneapolis he was hopeful that good could come out of it.

Mayor Ryan explained the events that occurred in Minneapolis were tragic and noted two Blaine residents lost over \$1.3 million in property through the fires that occurred. He stated these property owners would never rebuild again in Minneapolis. Chief Podany commented the situation was extremely tragic however, he noted there were many good people and good police officers in that community as well. He stated he had strong ties to Minneapolis and he hoped that some sort of positive resolution would come about.

Councilmember Hovland asked what kind of an impact the traffic officer was having on the City. Chief Podany reported traffic operations had ceased since the pandemic began and explained he wanted to limit face to face contact for officers. He indicated traffic efforts would be revamped in the coming months.

Councilmember Hovland stated he would like to see a report regarding the types of crime occurring within the City and where these crimes were occurring. Chief Podany commented this type of report was being generated by the department and was available on the City's website through crime mapping.

Councilmember Jeppson thanked Chief Podany for his leadership and for the positive culture he has created within the department. She anticipated that officer recruitment would become increasingly difficult in the coming months and years.

Councilmember Garvais agreed recruitment and staffing would become difficult. He recommended the Council review the recruitment process for the Police Department to ensure proper staffing levels were maintained within the department.

4.0 Council Calendar Review

Ms. Wolfe reviewed the Council Calendar.

OTHER BUSINESS

None.

The Workshop was adjourned at 9:30 p.m.

ATTEST:

Tom Ryan, Mayor

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