

CITY OF BLAINE  
ANOKA COUNTY, MINNESOTA  
CITY COUNCIL MEETING  
Monday, December 14, 2020

8:00 P.M.

*Virtual meeting due to COVID-19 pandemic*

**CALL TO ORDER**

The meeting was called to order by Mayor Ryan at 8:00 p.m. Due to the COVID-19 pandemic this meeting was held virtually.

**PLEDGE OF ALLEGIANCE**

**PRESENT:** Councilmembers Garvais, Jeppson, Paul, Robertson, Swanson, and Mayor Ryan.

**ABSENT:** Councilmember Hovland.

Quorum Present.

**ALSO PRESENT:** City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Deputy Police Chief Dan Szykulski; Finance Director Joe Huss; Budget/Fiscal Analyst Ward Brown; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Planner Lori Johnson; Water Resources Manager Rebecca Haug; Recreation Manager Nate Monahan; City Attorney Chris Nelson; Communications Technician Roark Haver; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

**8:00 P.M. – PUBLIC HEARING AND ITEMS SET FOR A CERTAIN TIME**

**TRUTH IN TAXATION HEARING**

Finance Director Huss explained the City Council has held a number of 2021 budget discussions to this point, most recently at the Council Workshop on November 9, 2020. He summarized discussions to date and the proposed tax levies and General Fund Budget that will be the subject of the public hearing. The Preliminary General Fund Budget was adopted along with the Preliminary Levies on September 21, 2020 with an expenditure budget of \$36,073,800, which was a 3.9% overall increase in expenditures compared to the 2020 Adopted Budget. Since the adoption of the 2021 Preliminary Budget, \$97,000 of additional cuts have been made, bringing the recommended budget to \$35,976,800. This represents an overall expenditure increase of 3.6% and, with the most recently proposed levy allocation, provides a safe margin of revenue over expenditures of \$262,600. The city's AAA bond rating was discussed. A five-year model for the General Fund Budget was reviewed with the council.

Mr. Huss described how city property taxes are determined and described how the median value homeowner will be impacted by the proposed tax levy. Blaine property taxes and utilities were compared to other cities in Anoka County and it was explained Blaine has the lowest taxes for any city in Anoka County that provides full services to its residents. The tax base and levy trends for the past 10 years were reviewed in detail. Two different scenarios for the levy were discussed with the council. Staff requested the council conduct the Truth in Taxation Hearing and provide direction to staff for the 2021 Tax Levies and General Fund Budget. It was noted the 2021 Tax Levy and General Fund Budget would be adopted on December 21, 2020.

Mayor Ryan opened the Truth in Taxation Hearing at 8:49 p.m.

Mr. Huss reported he received a comment from resident Lisa Bartel regarding the valuation of her townhome. He explained Ms. Bartel was concerned because she was seeing a 12.5% increase in her property value and how this would cause her a hardship. He commented this was common for townhomes because they were viewed as “starter homes”. Mr. Huss stated he followed up with Ms. Bartel and directed her to State resources for assistance or relief on her property taxes. He noted Communications Manager Hayle had posted a property tax relief link on the city’s website.

Mayor Ryan thanked Finance Director Huss for his tremendous efforts on the budget. Mr. Huss thanked Ward Brown and Dalton Larson in the Finance Department for their efforts. He explained staff was preparing for the approval of the 2021 budget and tax levy. He requested the council provide direction on where they would like to settle on the levy.

Councilmember Swanson stated he would like to see \$75,000 included in the budget for the bandshell at Aquatore Park.

Councilmember Paul questioned if \$175,000 had to be put in the budget for the removal of trees. Mr. Huss explained this was a separate issue. He noted the funding for the tree removal within the BWS was through a separate process. He reported the proposal in the General Fund was for removal of Ash trees outside the BWS.

Mayor Ryan explained he was going to have the largest property value increase in 2021, which was surprising for his small home.

Councilmember Jeppson stated she would support the full 1% rate reduction. She indicated this would send a good message and the city could afford this while still maintaining a healthy margin for error. She reported she was still concerned about the amount of funding that was being put aside for strategic priorities, adding JPAs with Anoka County could be a concern for the city in the future.

Councilmember Garvais supported the 1% compromise as well. He explained this would provide some relief for taxpayers while still allowing the council to set aside funds for strategic priorities.

Councilmember Jeppson questioned if the strategic priorities fund was a line item within the budget. She inquired if the \$250,000 from the hospital was in the strategic priority fund. Mr. Huss stated the hospital funding was put into a separate fund called the strategic priority fund. He noted the council would be discussing this fund on January 11, 2021.

Councilmember Robertson stated it was great that the city could reduce the tax rate but noted this was one component. She commented she would like to see any cost savings the city makes be directed back to the taxpayers. She indicated the city could not continue to reduce the tax rate each year and have this sustained long-term. She explained she had concerns for 2021 because of how many businesses may close and how the economy would look due to the pandemic.

Mayor Ryan stated he was pleased with how the city compared to neighboring cities in Anoka County and supported the 1% reduction. He reported Blaine was becoming a large city. He commented further on how the proposed tax levy would impact Blaine taxpayers. Councilmember Paul stated he supported the 1% reduction as well.

Mayor Ryan closed the Truth in Taxation Hearing at 9:09 p.m.

**OTHER**

None.

**ADJOURNMENT**

Mayor Ryan adjourned the meeting at 9:11 p.m.

ATTEST:

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Tom Ryan, Mayor

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Catherine Sorensen, CMC, City Clerk  
*Submitted by Minute Maker Secretarial, Inc.*