



**City of Blaine**  
**Anoka County, Minnesota**  
**Minutes**  
**City Council Workshop**

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

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Thursday, October 11, 2018

6:30 PM

Cloverleaf Farm Room A

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**NOTICE OF WORKSHOP MEETING**

**1 Call to Order**

The meeting was called to order by Mayor Ryan at 6:30 p.m.

**2 Roll Call**

Quorum Present.

**ALSO PRESENT:** City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Asset Management Project Coordinator Shawn Smith; 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; Communications Technician Roark Haver; Senior Engineering Technician Al Thorp; and City Clerk Catherine Sorensen.

**Present:** 6 - Councilmember Hovland, Councilmember Clark, Councilmember Garvais, Councilmember Jeppson, Mayor Ryan, and Councilmember Swanson

**Absent:** 1 - Councilmember King

**3 New Business**

**3-1**

**COUNCIL UPDATE ON GARBAGE, RECYCLING  
MARKETS, ORGANICS PROGRAM, AND THE GREAT  
RIVER ENERGY WASTE TO ENERGY PLANT**

**Attachments:** [Odor-Litter-Noise Action Plan 2018](#)  
[Recycling Market Overview Sept. 2018](#)

Communications Technician Haver stated City staff and representatives from Walters Recycling and Refuse had an update for the City Council on a number of issues that are occurring in the solid waste and recycling field. Of particular concern is the impending closure of the Great River Energy waste to energy plant in Elk River, and the collapse of recycling markets for material collected and processed in the US.

Mike Moroz, Walter's Recycling and Refuse, discussed the changes that were coming to the recycling industry and how things were turning upside down. He commented on how landfilling was down and recycling in the United States was up. He reported China has taken over 50% of the raw recyclables for further processing. He described how recyclables were becoming contaminated by garbage. He noted China would no longer be taking recyclables which would shift US and European markets. He explained technologies were improving to assist with the sorting process in order to pick out the garbage. He provided further comment on how costs were on the rise due to the changing commodity markets. He stated Great River Energy would be closing as of January 1st as they have been losing money for a number of years. Mr. Moroz commented on the great partnership Walter's had with Waste Management and reported Walter's has negotiated a favorable five-year contract for use of their landfill.

Finance Director Huss discussed how the City's refuse rates would be impacted over the next five years.

Councilmember Jeppson asked when the City's contract with Walter's would expire. City Manager Arneson indicated the contract would expire in 2021. He commented on the City's contract with Walter's and how rates may be impacted over the next three years for both refuse and recycling.

Mr. Moroz stated he anticipated the Chinese markets would not change and reported the United States was creating more recyclables than could be used. He was of the opinion the amount of recyclables would be reduced over time for cost purposes.

Councilmember Hovland questioned if there have been any discussions with the Legislature or Governor to brainstorm solutions and encouraged all of the haulers to come together in order to address this concern.

Councilmember Clark stated this presentation was very informative as he was not aware of the recycling concerns. He reported he was not prepared to approve a multi-year contract at this time but rather would require more time for review or possible request for quotes. He explained he had no issues with Walter's and noted they provided great service to the City of Blaine, however, he expressed concern with the fact the City may be backing into a no-bid contract and was being rushed.

Mr. Arneson asked what additional information the Council would like from staff.

Councilmember Jeppson understood Councilmember Clark's concerns but noted Walter's has been a great partner to the City and for this reason, she supported the

Council extending the contract with Walter's.

Mr. Haver noted the City had a current contract with Walter's through June 2021 and that Walter's was proposing an extended locked in rate for the next five years.

Councilmember Hovland stated he supported the contract being opened up with numbers being brought back to the Council from other vendors.

Councilmember Garvais indicated he was not opposed to Walter's or this process moving forward but noted he would like further information on the recycling end of the contract.

Councilmember Clark reported the Council has been presented with one option and he would like to know what the City's other options would be. Mr. Arneson stated he was uncertain what the City's other options would be as there was now only one landfill available.

Mayor Ryan commented he did not want to lose the opportunity to lock in five years of fixed rates with Walter's.

Councilmember Hovland suggested staff review rates with other vendors and report back to the Council at a future meeting.

Further discussion ensued regarding the existing landfill and its future capacity.

Mr. Huss proposed discussing the garbage and recycling contract in conjunction with the budget at a future meeting.

**Discussed.**

### 3-2

## VILLAGE BANK OFFICE AND PARKING EXPANSION

**Attachments:** [Village Bank Building - Blaine expansion](#)

Planning and Community Development Director Schafer stated Village Bank is looking at a significant office expansion for their building at Cloverleaf Parkway and Highway 65. The expansion would add a four-story office addition on the northwest side of the building totaling 40,000 square feet. A significant parking addition will also be needed in order to meet the minimum parking requirements. Staff reviewed the site plan noting it lays out the concepts for the expansion of the building as well as the parking. Staff reviewed several changes with the proposal and noted a reduction in the size of the building would be beneficial in addressing the parking requirements. Staff reported representatives from the property were in attendance to discuss and answer questions.

Don Kveton, Village Bank representative, commented on the proposed building expansion and reported he has 70+ businesses in Blaine leasing from him at this time. He stated he would like to complete this building expansion before retiring and discussed the City's parking requirements and noted his building has always had an adequate amount of parking.

Councilmember Swanson stated his main concern was with the City Charter and how no park or open space could be used for private use or parking. He indicated if the developer could meet the terms of the Charter he could support the building expansion request.

Mr. Kveton stated he would be willing to pay for a parking lot to meet the parking concerns for the area.

Mayor Ryan commented the City could use additional parking adjacent to the park.

Councilmember Clark suggested the parking be performance based and that additional parking be added to the site if required.

Councilmember Garvais supported this suggestion.

Mayor Ryan stated the biggest disadvantage with lack of parking would be to the Village Bank.

Councilmember Clark stated he could support either option suggested by staff in order to move this request forward.

Councilmember Hovland commented he could support a 15-foot variance for the applicant.

Mayor Ryan asked when work would begin on the building expansion. Mr. Kveton anticipated work would begin late next fall or the spring of 2020.

**Council consensus was to direct staff to begin the process in order to allow for the proposed Village Bank parking expansion.**

3-3

**REVIEW ROAD ACCESS OPTIONS FOR THE HY-VEE  
PROJECT, LOCATED AT 125TH AVENUE AND  
JEFFERSON STREET**

Mayor Ryan explained he received a letter from Hy-Vee and reported they would only be interested in this site with the 125th Avenue and Jefferson Street connection completed.

City Engineer Schluender addressed several issues that were brought up by the City Council at their last meeting. He discussed the location of the State Aid route in Blaine along 121st Avenue. He reviewed the location of the delivery drive for Hy-Vee and noted the school was working on a new drive into their campus. He stated a school zone could be implemented from 122nd to 125th. He reported no parking would be allowed within the school zone and around the commercial area. He indicated no parking or one-side of the street parking could be approved for 121st/Jefferson Street. He commented further on the proposed location of sidewalks. He recommended the no parking zones be discussed with the neighborhood, along with the location of sidewalks. He stated stop signs could be added to the corridor after a warrant study was completed by staff. He reported the City would not be obligated to pay any Municipal State Aid (MSA) funds back to the State if the Council were to make a change to this roadway's designation.

Councilmember Swanson asked what the advantages and disadvantages were of keeping this roadway an MSA route. Mr. Schluender stated the disadvantage was the volume of traffic on this roadway would qualify for an MSA route and therefore the City would be losing money. He commented the advantage of removing the State Aid designation would be the City could do whatever they wanted with the roadway, noting additional traffic calming measures could then be considered.

Councilmember Hovland commented people are going to take the path of least resistance when it comes to traffic. He was of the opinion a school zone and stop signs would keep traffic from flowing through this neighborhood. He suggested 122nd become a dead-end to create further separation and recommended "No Truck Traffic" signs be posted in the neighborhood.

Councilmember Garvais asked how much money the City would lose if this roadway segment were no longer designated an MSA route. Mr. Schluender commented on the funding loss and discussed how MSA funds were used by the City.

Mayor Ryan commented on how this connection would improve connectivity to the community.

Councilmember Hovland recommended a crosswalk be installed at the stop signs on the east side of the plan. Mr. Schluender stated this was a great option to improve pedestrian safety. He commented further on how the school district was working to separate car and bus traffic on their property.

Councilmember Swanson reported the City could not limit delivery trucks from being on an MSA route.

Councilmember Clark recommended truck access be allowed only from 125th Avenue.

Mayor Ryan recommended the Park Board make a recommendation regarding this development and the impacts to Happy Acres Park.

Councilmember Garvais supported the City pursuing traffic calming measures and sidewalks and recommended additional conversations be held with the neighborhood. He stated he supported the project and therefore could support the roadway connection and believed there was value to having this roadway segment remain an MSA route.

**Council consensus was to direct staff to bring this item back to the City Council on October 18th.**

### **Recess and Reconvene**

Mayor Ryan recessed the workshop meeting at 8:15 p.m.

Mayor Ryan reconvened the workshop meeting at 8:20 p.m.

3-4

### **FUNDING CITY HALL EXPANSION IMPROVEMENTS**

**Attachments:**     [Funding Powerpoint](#)

Mr. Huss stated at the July 19, 2018 Workshop, staff presented Council with preliminary findings from a space needs study conducted by the architectural firm 292 Design. The purpose of the study was twofold - to determine what improvements could be implemented fairly quickly to maximize efficiency in existing occupied space (a short-range plan), and to develop a plan for the design and occupation of the third floor (a long-range plan). Staff reviewed the short-term and long-term improvements for City Hall and explained the total cost estimate of the improvements, including design and contingency is \$6.5 million. It was noted staff is working with 292 Design to get a breakdown of the costs for the components. Staff commented further on how debt could be issued for the City Hall improvements and recommended only one bond issuance be pursued.

Councilmember Garvais asked what the cost would be to do all of the improvements at once. Mr. Huss discussed the costs if completed as one project versus inflationary costs and redundancy that would be incurred if the project were spread into two projects.

Further discussion ensued regarding the expense of the garage expansion.

Councilmember Jeppson asked if there were other ways to raise dollars needed for the improvements, other than tax dollars.

Councilmember Garvais stated he supported the use of Capital Improvement bonds for the improvements at City Hall.

Councilmember Swanson indicated he still had concerns over the high cost of the garage improvements. He recommended that through the proposed improvements he wanted to see this building remain accessible to the public.

**Council consensus was to direct staff to refine the costs for a future Council workshop.**

3-5

### ESTABLISHING AN INTERNAL SERVICE FUND FOR FACILITIES MANAGEMENT

**Attachments:** [Pub Facilities Fund-Establishment](#)

This item would be addressed at a future Council workshop meeting.

**Postponed.**

3-6

### 2019 PROPOSED CAPITAL FUND BUDGET

**Attachments:** [2019 Cap Fund Bud Recommendation 11-08](#)

Mr. Huss provided the Council with a first draft of the Proposed 2019 Capital Budget for Council review and consideration. Capital requests have been submitted and Finance is compiling these requests and integrating them into the five-year Capital Budget Plan. Staff will review the information and requests with Council at the Workshop. Also to be discussed, are funding alternatives. Staff requested Council comments on the proposed capital fund budget.

Councilmember Hovland requested further information on the police bicycle expense. Police Chief/Safety Services Manager Podany provided the Council with further information on this expense noting it included bicycles, helmets and other equipment.

Councilmember Hovland encouraged staff to review the numbers to see if all items included in the budget were necessary.

**Council consensus was to address this item further at a future workshop meeting.**

3-7

### COUNCIL MEETING DAYS/TIMES

**Attachments:** [Council Day & Time Survey](#)  
[Orders of Business](#)

City Clerk Sorensen stated with new Councilmembers starting in January staff thought it may be appropriate for Council to review the current meeting day and

times in the event any changes are desired. As meeting day and times are outlined by ordinance, a code amendment would be required and should Council wish to make any changes staff wanted to ensure sufficient time for the code amendment and to communicate any changes with the public prior to the first business meeting of the year.

Councilmember Clark encouraged the Council to wait until 2019 to set the meeting days and times.

**Council consensus was to address this item after the new Councilmembers were elected.**

**ADJOURN**

**The Workshop was adjourned at 9:09 p.m.**