



**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 18, 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; Public Works Director Jon Haukaas; Deputy Police Chief Dan Szykalski; Finance Director Joe Huss; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Attorney Patrick Sweeney; Senior Engineering Technician Al Thorp; Budget/Fiscal Analyst Ward Brown; Communications Technician Roark Haver; Human Resources Manager Sheri Chesness; and City Clerk Catherine Sorensen.

**Present:** 5 - Councilmember Hovland, Councilmember Clark, Councilmember Garvais, Mayor Ryan, and Councilmember Swanson

**Absent:** 2 - Councilmember King, and Councilmember Jeppson

**3     New Business**

**3-1                                   2019 PROPOSED SPECIAL REVENUE FUNDS BUDGET  
DISCUSSION**

**Attachments:**     [2019 CATV fund](#)  
                          [Charitable Gambling Fund Bud 2019](#)  
                          [Charitable Gambling Fund-2019 Prop](#)  
                          [Communications Fund-2019 Proposed](#)

Finance Director Huss stated as part of the City's comprehensive budget process, staff will present preliminary budgets for two special revenue funds. Staff presented further information on the Cable Television Fund and the Charitable Gambling Fund. It was noted the presentation will provide Council with the opportunity to review and comment on the proposed budgets and provide direction before the budgets are presented to the Council for formal adoption later this year. He asked

if the Council supported funding a Veteran's Memorial Park.

Mayor Ryan stated he supported the City setting funding aside for the Veterans Memorial Park.

Councilmember Swanson commented on the changes that the City may have to consider regarding the cable franchise with Comcast.

Councilmember Hovland commented on an email he received from Terry Michnowski noting this resident requested the Council consider abolishing the Charitable Gambling Fund account.

Councilmember Swanson explained he has had conversations with Mr. Michnowski regarding this matter.

Councilmember Hovland asked if the City Council would support setting aside funds to become a Purple Heart community.

Mayor Ryan supported the City setting aside \$10,000 for this initiative.

Councilmember Swanson stated he believed this initiative would tie in nicely with the Veterans Memorial and Beyond the Yellow Ribbon.

Councilmember Clark asked where the Historical Society was with their historical book publication. Mr. Huss discussed the actions that have been taken by the Historical Society and noted this group was getting close to publication. He noted this group had received a grant to assist with moving this project forward.

**Council consensus was to include funding for signage for Purple Heart Community designation, include matching funding for the Veterans Memorial Park and funding for publication of the Historical Society book.**

### 3-2

## ESTABLISHING AN INTERNAL SERVICE FUND FOR FACILITIES MANAGEMENT

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

Finance Director Huss stated as part of the City's efforts to stabilize its General Levy and provide a mechanism for ensuring long-term funding of facilities improvements is in place, staff is recommending the implementation of a new fund to account for Facilities Management. The new fund will be an Internal Service Fund. Internal service funds are used to account for the financing of goods and services provided by one department or activity to other departments or activities of the government on a cost reimbursement basis. The facilities that would be managed under this fund include all facilities currently accounted for in the General Fund - City Hall and attached garages, Public Works and the PW cold storage

facility, the Police training facility and the Senior Center. Because of this connection to the General Fund, staff is proposing to provide the new fund with a start-up balance of \$250,000 to help provide a contingency reserve for emergency or unforeseen repairs that might be needed before the fund has had sufficient time to build reserves. The source of the start-up funds would be from unused, unrestricted reserves in the General Fund. Reserves still on hand from positive General Fund performance in 2017 would be used to fund the initial Facilities Management Fund reserve.

Councilmember Swanson asked how the proposed Internal Service Fund would impact the General Fund. Mr. Huss reported this fund would have a net reduction in costs to the General Fund as the costs for building and infrastructure would be removed from the General Fund.

Councilmember Clark expressed concern with the fact there would be a charge for space and that the budgets for each department may increase. Mr. Huss reported that departments would see a slight increase in their budgets but noted \$850,000 would be taken out of the General Fund. He explained this fund would assist the City with making improvements to City Hall going forward.

Councilmember Clark questioned if dollars were being reallocated or added onto the budget. Mr. Huss stated the dollars were being reallocated.

Councilmember Hovland asked who would be making decisions on how these funds were spent. Mr. Huss commented these funds would be spent in a similar manner to any other General Fund expenditure.

**Council consensus was to schedule this item for a future workshop meeting to further review prior to consideration in December.**

**3-3**

### **2019 PROPOSED CAPITAL FUND BUDGET**

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

**Action on this item was postponed to a future workshop meeting.**

**3-4**

### **SOLAR OPTIONS FOR WATER TREATMENT PLANT 4**

**Attachments:**     [Solar Options PowerPoint](#)

Public Services Manager/Assistant City Manager Therres reported the City was considering a solar array at the Water Treatment Plant. He commented on the area the solar panels could be located and noted 9,000 square feet of space was available on the roof, which equated to 6,000 square feet of solar panels. He stated this would generate 3% of the water treatment plants power needs and would save the City \$7,000 a year in electrical costs. He explained staff could

further invest the numbers and report back to the Council.

Mayor Ryan suggested staff speak with Connexus regarding potential grants or financing options for a solar array.

Councilmember Clark questioned what the life expectancy was for a solar panel. Mr. Therres reported a solar panel has a life expectancy of 25 years.

Councilmember Clark encouraged staff to consider the return on investment for this project.

**Council consensus was to continue to explore the maximum area and to direct staff to speak with Connexus regarding possible grants or funding for solar arrays.**

**ADJOURN**

**The Workshop was adjourned at 7:35 p.m.**