



# City of Blaine Anoka County, Minnesota Minutes City Council

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

*The council chambers will have limited seating, with audience chairs being set up at least six feet apart. There will be an overflow area where the meeting can be watched in the Cloverleaf Farms Room, also with chairs set up at least six feet apart.*

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Monday, December 20, 2021

7:30 PM

Council Chambers

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**1. CALL TO ORDER BY THE MAYOR**

The meeting was called to order at 7:30PM by Mayor Sanders followed by the Pledge of Allegiance and the Roll Call.

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**PRESENT:** Mayor Tim Sanders, Councilmembers Wes Hovland, Julie Jeppson, Chris Massoglia (arrived at 7:32PM), Richard Paul, Jess Robertson and Jason Smith.

Adjunct Member Drew Brown.

**ABSENT:** None.

Quorum Present.

**ALSO PRESENT:** City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Public Works Director Jon Haukaas; Deputy Police Chief Dan Szykulski; Finance Director Joe Huss; Deputy Finance Director Ali Bong; City Engineer Dan Schluender; City Attorney Chris Nelson; Communications Manager Ben Hayle; Deputy Fire Marshall Todd Miller; and City Clerk Catherine Sorensen.

**Present:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

**4. AWARDS - PRESENTATIONS - ORGANIZATIONAL BUSINESS**

None.

**5. COMMUNICATIONS**

None.

**6. OPEN FORUM**

Mayor Sanders opened the Open Forum at 7:31PM.

Rosemary Bonnett, thanked the council for allowing her to get the answers to her concerns regarding the Groveland Village project. She appreciated the fact that she was heard and answers were provided to her by city staff. She commented the residents are pleased that the engineering staff would be meeting with residents, along with the watershed district to evaluate the wetland situation in the spring of 2022. She wished the council a safe and healthy holiday season.

Mayor Sanders closed the Open Forum at 7:33PM.

**7. ADOPTION OF AGENDA**

The agenda was adopted as presented.

**8. APPROVAL OF CONSENT AGENDA:**

Councilmember Massoglia requested the removal of consent agenda item 8.5.

**Moved by Councilmember Robertson, seconded by Councilmember Hovland, that the following be approved: Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

**8.-1**

**Schedule of Bills Paid**

**Attachments:**     [December 3, 2021 Bills Paid](#)  
                              [December 3, 2021 Subset of Bills Paid](#)  
                              [December 10, 2021 Bills Paid](#)  
                              [December 10, 2021 Subset of Bills Paid](#)  
                              [November 2021 P/R Checks and Wire Transfers](#)

**Approved**

**8.-2**

**Approval of Minutes**

**Attachments:**     [12-06-21 Workshop Minutes](#)  
                              [12-06-21 Council Minutes](#)

**Approved**

- 8.-3 Granting Final Plat Approval to Subdivide a 0.5 Acre Parcel into Two Single Family Lots to be Known as Lunde Estates Second Addition at Pierce Court South of 117th Avenue NE. Price Custom Homes (Case File No. 21-0083/EES)**

Attachments: [Attachments](#)

Adopted

- 8.-4 Second Reading**

**Amending Appendix D - Fee Schedule of the Municipal Code of the City of Blaine**

Attachments: [Proposed 2022 Fee Schedule](#)

Adopted

- 8.-6 Best Taste of Pho Saigon, Inc., Amended On-Sale and Sunday Intoxicating Liquor Licenses, 11712 Ulysses Lane NE, Suites 100/200**

Attachments: [Filed Articles of Merger](#)  
[Updated Floor Plan](#)  
[Best Taste - Handbook Excerpt](#)  
[Certificate of Liability Insurance](#)

Approved as Amended

- 8.-5 Board and Commission Appointment Process - Council Policy**

Attachments: [Board and Commission Appointment Policy](#)

Councilmember Massoglia stated he would be opposing this motion because he did not support the final term limits for board and commission members. He expressed concern with the fact the mayor could appoint whoever he liked. He indicated he did not understand why the council was setting term limits for board and commission members, when the city councilmembers did not have term limits.

Mayor Sanders explained he believed the term limits for board and commission positions was helpful because it helped residents understand the timeframe they were serving. In addition, he noted the term limits would allow additional residents to serve the city.

**Moved by Councilmember Robertson, seconded by Councilmember Smith, that Motion 21-177, "Board and Commission Appointment Process – Council Policy," be approved.**

**Motion adopted 6-1 (Councilmember Massoglia opposed).**

**Aye:** 6 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Smith and Mayor Sanders

**Nay:** 1 - Councilmember Massoglia

**9. 7:30 P.M. - PUBLIC HEARING AND ITEMS PUBLISHED FOR A CERTAIN TIME**

**9.-1 Adopt 2022 Tax Levies**

Finance Director Huss stated council conducted a public hearing for the proposed 2022 General Fund budget and proposed property tax levy on December 13. Pursuant to statutory requirements, a public hearing is again scheduled for this meeting at which the city council will again consider public input and adopt a final levy and budget. The proposed resolution reflects the tax levy that council directed be brought forth for consideration at the December 13, 2021 truth in taxation hearing.

Mayor Sanders opened the public hearing at 7:39PM.

There being no public input, Mayor Sanders closed the public hearing at 7:39PM.

Councilmember Massoglia stated with the \$4.2 million that was being placed in the Strategic Priority Fund from the General Fund plus all of the ARPA funding the City received, he supported the tax levy being reduced by \$1 million. He noted the proposed reduction would save taxpayers money.

Mayor Sanders commented he opposed the amendment because ARPA funds would be used for General Fund expenditures. He explained this would create a massive hole that would have to be made up in future years. Mr. Huss reported ARPA funds could not supplant or replace the tax levy.

Councilmember Massoglia stated if the ARPA funds were taken out of this equation, there was still \$4.2 million being placed in the Strategic Priority Fund and this could be adjusted by \$1 million to bring down the tax levy for the residents of Blaine.

Mayor Sanders requested staff speak to how this adjustment would work. Mr. Huss commented \$4.2 million was being proposed to be transferred into the Strategic Priority Fund which would give this fund a balance of \$7.2 million. He indicated the motion would reduce the levy by \$1 million and this would be taken from the Strategic Priority Fund transfer. He reported the Strategic Priority Fund has a limited life which meant the council would have to find another way to fund this program or levy to

replace the dollars.

Councilmember Massoglia stated after speaking with staff he understood there was a onetime expense of \$615,000 in 2022 for wage adjustments and noted this would not be an ongoing expense. Mr. Huss reported this was correct, noting this was the final phase of the compensation plan. City Manager Wolfe clarified this was not a onetime cost but rather an ongoing cost with future COLA's or market increases would be on top of the new salaries that the budget has been increased to cover.

Mayor Sanders indicated this meant the growth in labor costs would still exist next year, yet the budget would be reduced by \$1 million.

Councilmember Jeppson stated she understood the city's need for a Strategic Priorities Fund given the large number of road projects the city would have in the near future. She reported the city's infrastructure was in need of continual investment and she believed taking \$1 million out of the tax levy would be irresponsible at this time.

Councilmember Massoglia responded to the mayor's comment stating if the \$1 million adjustment were made this year, the increase for next year would not be as high. Mr. Huss reiterated that while the salary adjustments were a onetime expenditure for 2022, the increase would be part of the base going forward. He noted there would be a continued need to fund the new salaries going forward.

Councilmember Massoglia stated taxes will just continue to go up indefinitely.

Mayor Sanders indicated this was not something the council could be certain of. He reported taxes have gone down in the past. Mr. Huss commented on how the levy would be impacted if a funding source reduction were to occur, noting there would have to be a likewise reduction in costs.

**Substitute motion made by Councilmember Massoglia, seconded by Councilmember Paul to amend the tax levy to remove \$1 million.**

**Substitute motion failed 1-6 (Councilmembers Paul, Robertson, Hovland, Jeppson, Smith and Mayor Sanders opposed).**

**Aye:** 1 - Councilmember Massoglia

**Nay:** 6 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Smith and Mayor Sanders

**Moved by Councilmember Jeppson, seconded by Councilmember Smith, that Resolution No. 21-231, "Adopt 2022 Tax Levies," be approved.**

**Motion adopted 6-1 (Councilmember Massoglia opposed).**

**9.-2**

**Adopt the 2022 General Fund Budget**

Mr. Huss stated council conducted a public hearing for the proposed 2022 General Fund budget and proposed property tax levy on December 13, 2021. Pursuant to statutory requirements, a public hearing is, again, scheduled for tonight at which the city council will consider public input and adopt a final levy and budget. The proposed resolution reflects the budget as discussed at the December 13 truth in taxation hearing. No adjustments have been made and the budget as presented herein is recommended for adoption.

Mayor Sanders opened the public hearing at 7:54PM.

There being no public input, Mayor Sanders closed the public hearing at 7:54PM.

Councilmember Massoglia stated he would not be voting to support the budget due to the fact there was a 6.4% increase in the tax base and of that 4.8% was inflationary and 1.6% was new growth. He stated he could support a 4% increase but not a 6% increase.

Councilmember Robertson thanked staff for all of their efforts on the budget and tax levy. She discussed how much time it took to complete the budget. She was of the opinion the city could not continue to increase its budget 6% every year because at some point in time, growth in the city would stop and money would have to come from somewhere else. She stated she looked forward to discussing the budget again in 2022.

Councilmember Hovland stated in order to reduce the levy cuts would have to be made. He commented without cutting specific programs, funding had to be in place to cover the city's costs. He discussed the primary responsibilities of the city council were to provide police, fire, roads, water, sewer and public works services. He indicated the city was committed to spending a certain level of funding for these services and he wasn't willing to make cuts because this would disrupt the level of services being provided to residents. He did not support the council making cuts to the budget or tax levy at the last minute. He noted these discussions have to be held prior to the last meeting of the year. Mr. Huss commented on the growth pattern the city has been in since 2003 and noted this would not continue at the same rate indefinitely. He discussed how costs have expanded for fire, police, and public works as the number of households and commercial users in the city increases. It was noted 75% of the budget covered police, fire and public works expenditures. He reported there would be a time when this growth ends

and the police department is fully staffed. He anticipated the city would level out once the new growth begins to taper off and at that point, new staff members would also level off. He discussed the city's bond rating and noted this high level was achieved due to its strong budgeting process and financial position.

Mayor Sanders explained the proposed budget was strategic and noted 75% of the budget covered essential services which included fire, police and public works. He reported Blaine had one of the lowest costs to live when compared to neighboring cities. He believed Blaine was a tremendous community to live in and he was proud of the way the city managed its finances.

**Moved by Councilmember Jeppson, seconded by Councilmember Smith, that Resolution No. 21-230, "Adopt the 2022 General Fund Budget," be approved.**

**Motion adopted 5-2 (Councilmembers Massoglia and Robertson opposed).**

**Aye:** 5 - Councilmember Hovland, Councilmember Jeppson, Councilmember Paul, Councilmember Smith and Mayor Sanders

**Nay:** 2 - Councilmember Robertson and Councilmember Massoglia

## **10. DEVELOPMENT BUSINESS**

### **10.-1**

**Granting Final Plat Approval to Subdivide Approximately 4.69 Acres into 58 Townhome Lots and 1 Common Lot to be Known as Groveland Village Second Addition at 8585 Groveland Court NE. M/I Homes (Case File No. 21-0082/EES)**

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

City Planner Sellman stated the applicant is requesting final plat approval for the first phase of the Groveland Village preliminary plat. The final plat is consistent with the preliminary plat. Staff commented further on the concerns that were brought up by the neighbors and noted a meeting would be held with the neighbors in the spring, with the watershed district to discuss the wetland.

Mayor Sanders thanked staff for working with the residents to address their concerns.

**Moved by Councilmember Robertson, seconded by Councilmember Smith, that Resolution No. 21-223, "Granting Final Plat Approval to Subdivide Approximately 4.69 Acres into 58 Townhome Lots and 1 Common Lot to be Known as Groveland Village Second Addition at 8585 Groveland Court NE," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

10.-2

### Second Reading

**Granting a Rezoning from FR (Farm Residential) to DF (Development Flex) for 14.24 acres at 12551 Lever Street NE. Summerville Meadows. (Capital Trust LLC) (Case File No. 21-0059/SLK)**

**Attachments:**     [Attachments](#)  
                              [Unapproved PC Minutes](#)

Ms. Sellman stated currently, the property has an existing zoning designation of FR (Farm Residential) and is guided in the Comprehensive Plan as LDR (Low Density Residential). The property is within the MUSA (Metropolitan Urban Service Area) which indicates it is intended to be served with city sewer and water. The proposed zoning is DF (Development Flex) to cover the residential uses. With the DF zoning, housing products and neighborhood design issues will require and be regulated by a Conditional Use Permit (CUP).

**Moved by Councilmember Smith, seconded by Councilmember Massoglia, that Ordinance No. 21-2488, "Granting a Rezoning from FR (Farm Residential) to DF (Development Flex) for 14.24 acres at 12551 Lever Street NE," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

10.-3

**Granting Preliminary Plat Approval to Subdivide Approximately 14.24 Acres into 29 Lots and 2 Outlots to be Known as Summerville Meadows at 12551 Lever Street NE. (Capital Trust Development LLC) (Case File No. 21-0059/SLK)**

**Attachments:**     [Attachments](#)  
                              [Unapproved PC Minutes](#)

Ms. Sellman stated Capital Trust LLC is proposing to develop 14.24 acres into 29 single-family homes, the development will be known as Summerville Meadows. The single-family lots have a minimum width of 55 feet. The existing home and several accessory buildings will be removed from the site. All existing structures will need to be removed prior to recording the plat with Anoka County. Two outlots are proposed for potential future lots, stormwater management and wetlands.

**Moved by Councilmember Jeppson, seconded by Councilmember Massoglia, that Resolution No. 21-232, "Granting Preliminary Plat Approval to Subdivide**



**Approximately 14.24 Acres into 29 Lots and 2 Outlots to be Known as Summerville Meadows at 12551 Lever Street NE," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

**10.-4**

**Granting a Conditional Use Permit to Allow for the Construction of 29 Single Family Homes in a DF (Development Flex) Zoning District at 12551 Lever Street NE. Summerville Meadows (Capital Trust Development LLC) (Case File No 21-0059/SLK)**

**Attachments:**     [Attachments](#)  
[Unapproved PC Minutes](#)

Ms. Sellman stated the conditional use permit is necessary to set up the standards of development in the DF (Development Flex) zoning district. This is consistent with every DF zoning district within the city. M/I Homes is the proposed builder for the development. The single-family homes are proposed to range from 2,100 square feet to 2,600 square feet and from \$400,000 to \$450,000.

**Moved by Councilmember Hovland, seconded by Councilmember Paul, that Resolution No. 21-233, "Granting a Conditional Use Permit to Allow for the Construction of 29 Single Family Homes in a DF (Development Flex) Zoning District at 12551 Lever Street NE," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

**10.-5**

### **Second Reading**

**Granting a Code Amendment to the FR (Farm Residential), RE (Residential Estate), R-1 (Single Family), R-1AA (Single Family), R-1A (Single Family), R-1B (Single Family) and DF (Development Flex) Zoning Districts, and Section 33 (Performance Standards) to Allow Accessory Dwelling Units in Single Family Districts. (Case File No. 21-0070/EES)**

**Attachments:**     [Public Comments](#)  
[Unapproved PC Minutes](#)

Ms. Sellman stated accessory dwelling units (ADUs) are dwelling units that are either attached or adjacent to a primary home and act as an accessory apartment with separate cooking and living spaces. ADUs are frequently referred to as mother-in-law units, but are not necessarily occupied by a relative. ADUs are commonly constructed to retrofit an

existing home to accommodate multigenerational living or to create a rental unit for additional income. Lennar and DR Horton both offer floor plans that include accessory dwelling units in new home constructions. It was noted the Council discussed this at the August 2, 2021 workshop and directed staff to move forward with an ordinance to permit ADUs. A draft code amendment was presented to Council on October 4, 2021 and the ordinance incorporates comments received at that meeting.

**Moved by Councilmember Smith, seconded by Councilmember Robertson, that Resolution No. 21-2489, "Granting a Code Amendment to the FR (Farm Residential), RE (Residential Estate), R-1 (Single Family), R-1AA (Single Family), R-1A (Single Family), R-1B (Single Family) and DF (Development Flex) Zoning Districts, and Section 33 (Performance Standards) to Allow Accessory Dwelling Units in Single Family Districts," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

## 10.-6

**Summary Publication - Amending Sections 25.02 Definitions, 29.01 FR (Farm Residential), 29.02 RE (Residential Estate), 29.03 R-1 (Single Family), 29.04 R-1AA (Single Family), 29.05 R-1A (Single Family), 29.06 R-1B (Single Family), and 29.11 DF (Development Flex) of the Blaine Zoning Ordinance and Establishing Section 33.25 Standards for Accessory Dwelling Units of the Blaine Zoning Ordinance.**

Ms. Sellman requested the Council adopt the proposed resolution allowing for publication of title and summary of the preceding lengthy ordinance.

**Moved by Councilmember Smith, seconded by Councilmember Jeppson, that Resolution No. 21-234, "Summary Publication - Amending Sections 25.02 Definitions, 29.01 FR (Farm Residential), 29.02 RE (Residential Estate), 29.03 R-1 (Single Family), 29.04 R-1AA (Single Family), 29.05 R-1A (Single Family), 29.06 R-1B (Single Family), and 29.11 DF (Development Flex) of the Blaine Zoning Ordinance and Establishing Section 33.25 Standards for Accessory Dwelling Units of the Blaine Zoning Ordinance," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

## 11. ADMINISTRATION

### 11.-1

**Attachments:**     [Hidden Oaks Area Location Map](#)  
                              [FeasibilityReport HiddenOaksAreaReconstruction-Signed.pdf](#)

City Engineer Schluender stated on September 20 the city council initiated a project for Hidden Oaks and ordered a feasibility report. He discussed the feasibility report and reviewed the project area. He noted the improvements would include removing the existing concrete curb and gutter and replacement in full with minor storm sewer drainage improvements, spot watermain repair, asphalt replacement, and traffic control signage replacement. The estimated cost for the project was \$4.8 million and \$1.2 million would be assessed to benefiting properties. The city found the project to be necessary and feasible. Staff requested the council receive the feasibility report and order a public hearing for the Hidden Oaks Area Street Reconstruction project.

**Moved by Councilmember Smith, seconded by Councilmember Jeppson, that Resolution No. 21-235, "Receive Feasibility Report and Order Public Hearing for the Hidden Oaks Area Street Reconstruction," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

11.-2

**Resolution Approving the Memorandum of Agreement (MOA)  
Between the State of Minnesota and Local Governments and  
Authorizing Participation in National Opioid Settlements**

**Attachments:**     [MN Attorney General - Agreement Overview](#)  
                              [Memorandum of Agreement](#)  
                              [National Opioid Settlement Funds Presentation](#)  
                              [Opioids FAQs - LMC](#)  
                              [FAQs - Opioid Distributors and Johnson & Johnson](#)

City Clerk Sorensen stated the Minnesota Memorandum of Agreement (MN MOA) governs how Minnesota will distribute settlement funds from two national settlements with opioid distributors McKesson, Cardinal Health, and AmerisourceBergen and opioid manufacturer Johnson & Johnson. These settlements could bring more than \$296 million to Minnesota over an 18-year period to support state and local efforts to fight the opioid epidemic. This funding will enable Minnesota to maximize resources to fight the epidemic. More than 5,400 Minnesotans have died of opioid overdoses since 2000. Individuals, families, and communities continue to suffer, as the COVID-19 pandemic has caused a surge in both fatal and nonfatal overdose deaths. In order for Minnesota to receive the maximum payout under the two national settlements, cities and counties must join the state and sign on to the MN MOA and the settlement agreements.

Ms. Sorensen explained settlement funds must be used to support specific strategies to fight the opioid crisis that are identified in the MOA. Although not all cities will receive a direct allocation from the settlements, all cities will have the potential to access county and state grants, and will benefit from the opioid remediation efforts by others that take place in their communities. Cities that do receive allocations could, if they choose, direct full or a portion of annual allocation to their county. There is a deadline of January 2, 2022, for a sufficient threshold of Minnesota cities and counties to sign on to the State-Subdivision Agreement and to opt into the national settlements. Failure to timely sign on may significantly impact the amount of settlement funds ultimately received by Minnesota.

Councilmember Hovland asked if the city had any idea how many people in the city of Blaine have been impacted by the opioid crisis. Deputy Police Chief Szykalski estimated there was one overdose a week in Blaine. He reported Anoka County has an OD map which assisted with tracking trends.

Councilmember Hovland questioned how the city would look to apply these funds to address the opioid concerns in Blaine. City Attorney Nelson explained the funds could be used in three broad categories which were for treatment, prevention and for other strategies. He indicated by receiving these funds the city would be waiving its right to sue the manufacturers and distributors as noted within the agreement.

**Moved by Councilmember Jeppson, seconded by Councilmember Hovland, that Resolution No. 21-236, "Resolution Approving the Memorandum of Agreement (MOA) Between the State of Minnesota and Local Governments and Authorizing Participation in National Opioid Settlements," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

11.-3

### **First Reading**

#### **Amending Section 74-81(g) (4) g of the Municipal Code of the City of Blaine Establishing 2022 Park Dedication Fees**

**Attachments:**     [2021 Comparative Park Dedication Fees](#)

Ms. Sorensen stated each year staff reviews fair market value of property throughout the City to determine whether or not park dedication fees should increase or stay the same. After review and recommendation, the

Park Board recommended no increase in park dedication fees for 2022, which also occurred in 2021.

Declared by Mayor Sanders that Ordinance No. 21-2490, "Amending Section 74-81(g) (4) g of the Municipal Code of the City of Blaine Establishing 2022 Park Dedication Fees," be introduced and placed on file for second reading at the January 3, 2022 Council meeting.

**11.-4****Adopt the 2022 Facilities Fund Budget**

**Attachments:**     [2022 Facilities Fund - Budget summary](#)  
                                 [2022 Facilities Fund - Capital request summary table](#)

Deputy Finance Director Bong stated pursuant to requirements to adopt annual budgets for all operating funds, staff is bringing forward the proposed 2022 Facilities Fund Budget for Council consideration and adoption. It was noted council reviewed the 2022 Facilities Management Budget at the December 6, 2021 workshop at which time there were no recommendations for changes to the proposed requests.

**Moved by Councilmember Smith, seconded by Councilmember Hovland, that Resolution No. 21-237, "Adopt the 2022 Facilities Fund Budget," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

**11.-5****Adopt 2022 Capital Equipment Fund Budget**

**Attachments:**     [2022 Capital Equipment Request Details](#)  
                                 [2022 Capital Equipment Fund Budget](#)

Mr. Huss stated pursuant to requirements to adopt annual budgets for certain capital funds, Staff is bringing forward the proposed 2022 Capital Equipment Fund Budget for Council consideration and adoption. Council reviewed the proposed list of capital equipment purchases for 2022 during the December 6, 2021 workshop. Based on discussions from the meeting, the 2022 proposed Capital Equipment Fund Budget is presented for Council's consideration and adoption. Total planned capital expenditures for 2022 are \$2,256,555.

Councilmember Robertson stated she would be opposing this budget. She wished that the council had been able to see the results of the city's fleet right sizing. She had an issue with some of the vehicle purchases. She looked forward to addressing these concerns further in 2022 when the 2023 budget was discussed.

**Moved by Councilmember Jeppson, seconded by Councilmember Paul, that Resolution No. 21-238, "Adopt 2022 Capital Equipment Fund Budget," be approved.**

**Motion adopted 5-2 (Councilmembers Massoglia and Robertson opposed).**

**Aye:** 5 - Councilmember Hovland, Councilmember Jeppson, Councilmember Paul, Councilmember Smith and Mayor Sanders

**Nay:** 2 - Councilmember Robertson and Councilmember Massoglia

## 11.-6

### **Approve 2022 Public Works Capital Equipment Purchases**

Public Works Director Haukaas stated this is the first approval of 2022 Public Works equipment. Additional final approvals of the remaining equipment budgeted will follow as final bids are received. In the adoption of the 2022 Capital Budget, Council appropriated funding for certain pieces of equipment in the Capital Equipment Plan. Pursuant to the City Charter, Sec. 6.05, staff is now requesting Council approval for the purchase of the vehicles listed below. All the equipment listed will be purchased through the State Cooperative Purchasing Program from various vendors.

**Moved by Councilmember Jeppson, seconded by Councilmember Smith, that Motion 21-179, "Approve 2022 Public Works Capital Equipment Purchases," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

## 11.-7

### **Authorize Purchase of Water Treatment Chemicals for 2022**

**Attachments:**     [2022 Water Treatment Chemicals](#)

Mr. Haukaas stated staff received two bids for 2022 water treatment chemicals. The requested quantities for chemicals in 2022 is significantly higher than in previous years due to bringing the new Water Treatment Plant No. 4 online. The COVID-19 pandemic along with staff shortages and transportation issues drastically added to the cost of the chemicals this year. These amounts represent maximum quantities we may need over the course of the year in order to lock-in the bulk purchase pricing. The companies who submitted bids were Hawkins, Inc. and Shannon Chemical Corporation.

Mr. Haukaas reported Hawkins was the low bidder for the 13 water treatment plant chemicals this year. The 2022 Water Utility Fund budget, adopted December 6, anticipated an increase in the cost of water treatment chemicals and budgeted a substantial increase (40%) for this line item. However, it is likely that by late third quarter of 2022, actual expenses for water chemicals will exceed the 2022 budget. It is likely then, as 2022 progresses, that a budget amendment will be brought forward to Council for consideration. Staff recommends authorizing the

purchase of the water treatment chemicals from Hawkins, Inc. in the amount of \$502,954.75.

**Moved by Councilmember Smith, seconded by Councilmember Jeppson, that Motion 21-180, "Authorize Purchase of Water Treatment Chemicals for 2022," be approved.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

## **12. OTHER BUSINESS**

Mayor Sanders welcomed the Centennial High School students that were in attendance.

Ms. Wolfe encouraged the council to visit the thank you board in the back of the council chambers. On behalf of all of the staff members, she thanked the council for their continued support.

**Moved by Councilmember Jeppson, seconded by Councilmember Hovland, to direct staff to close City Hall offices at 12:00PM on Thursday, December 23 and provide four additional hours of holiday pay to city employees.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders

## **13. ADJOURNMENT**

**Moved by Councilmember Hovland, seconded by Councilmember Robertson, to adjourn the meeting at 8:36PM.**

**Motion adopted unanimously.**

**Aye:** 7 - Councilmember Hovland, Councilmember Jeppson, Councilmember Robertson, Councilmember Paul, Councilmember Massoglia, Councilmember Smith and Mayor Sanders