



City of Blaine Anoka County, Minnesota Minutes

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

City Council Workshop

While this is a public meeting where interested persons are welcome to attend, it is a work session for City Council and staff to discuss issues before them. It is not for the purpose of receiving public input.

Monday, August 1, 2022

5:30 PM

Cloverleaf Farm Room A

NOTICE OF WORKSHOP MEETING

1 Call to Order

The meeting was called to order by Mayor Sanders at 5:30PM.

2 Roll Call

PRESENT: Mayor Tim Sanders, Councilmembers Wes Hovland, Julie Jeppson, Chris Massoglia, Tom Newland, Richard Paul (arrived at 5:55PM), and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Community Standards Director Bob Fiske; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; City Engineer Dan Schluender; City Attorney Chris Nelson; Deputy Finance Director Allison Bong; Park & Recreation Senior Manager Jerome Krieger; Director of Administration Cassandra Tabor; Human Resources Deputy Director Sheri Chesness; and City Clerk Catherine Sorensen.

Present: 6 - Councilmember Robertson, Councilmember Paul, Councilmember Hovland, Massoglia, Sanders, and Councilmember Jeppson

3 New Business

3-1 **Closed Session Pursuant to Minnesota Statute 13D.03, Subd. 1(b) to Discuss Collective Bargaining for Local Union 49, LELS Local 165, and LELS Local 340**

The Council met in closed session to discuss collective bargaining for Local Union 49, LELS Local 165, and LELS Local 340.

Mayor Sanders adjourned the closed session meeting at 6:08PM.

Mayor Sanders opened the workshop meeting at 6:09PM.

Informational: no action required

30 Minute Discussion

3-2

Short Term Rental Properties

Community Standards Director Fiske stated in the City of Blaine, all residential rental property regardless of the type, short term rental (STR) such as Air BNB or standard long term rental property are required to have a rental license and must comply with the City of Blaine Code of Ordinances Chapter 18 Article VIII - Residential Maintenance Code. Staff recapped the City's rental ordinances, the differences between rental, short term rental and borders as defined by ordinance and our current enforcement practices. He provided information on what other cities are doing for short term rentals. Staff provided recommendations for possible code changes and discussed what impact these changes would have on staffing and/or workload.

Councilmember Hovland stated he understood there were cases and needs for short term rentals. He explained he supported the City offering short term rentals but noted the Council would have to define what is meant by short term then requested further information on how staff was currently enforcing the City's rental license requirements. Mr. Fiske discussed how some properties were falling through the cracks as they are renting without fully coming into compliance with City code requirements. He explained the City was put in a difficult position with these properties because their rental license could not be revoked because it was never secured.

Councilmember Hovland questioned if there were any modifications that could be made to the rental license ordinance that would address this scenario. City Attorney Nelson commented further on the process to be followed in order to evict someone. He discussed the misdemeanor provisions in place within the rental license code noting staff could aggressively enforce this.

Safety Services Manager/Police Chief Podany discussed how short-term rentals can be used for party houses on the weekends, while rental homes have to be fully licensed with the City. He stated HOAs may have consequences for short term rentals.

Councilmember Hovland supported the City charging homeowners with a

gross misdemeanor for offenses against the City's rental license ordinance.

Councilmember Robertson stated her inclination was to leave things as is. She indicated she did not want to increase the workload on staff at this time and would support an increase in the rental fees. She anticipated the police department understood where the problem properties were, and the City could charge these properties with misdemeanors or gross misdemeanors when violations occur.

Councilmember Newland asked what the fee was for a rental license in the City of Blaine. Mr. Fiske stated a rental license for a single-family home was \$190 per year.

Councilmember Jeppson stated she agreed with Councilmember Robertson's and supported the City raising fees. She understood the majority of the rental properties in the City were not a problem then commented on the number of properties in Blaine that were on VRBO stating a number of them allowed for 8 to 14 guests. Mr. Fiske reported this would be violating the City's rental code.

Councilmember Robertson questioned if the City could make exceptions for short term rentals for special events, such as the USA Cup or 3M Open. Police Chief Podany agreed the City needed to further clarify how it wanted to define short term rentals. Mr. Fiske reviewed the rental requirements that were within the current City code.

Councilmember Jeppson supported the code remaining as is with the City responding to properties on a complaint basis. She indicated she also supported the City raising the fees for rental licenses.

Councilmember Massoglia stated he did not support the City leaving things as is as believed there was a bigger problem than the City realized. He explained homes were being rented through Air BNB, VRBO, on Craigslist, Facebook Marketplace, Couch Surfing and others and wanted to see the City address some the unwanted activity that was occurring in residential neighborhoods. He supported the City doing something by setting a limit on the number of short-term rentals a home could have to 14 to 30 days except for the month of July.

Mayor Sanders indicated there were tournaments in Blaine 52 weeks out of the year. He discussed how neighborhoods were being impacted by strangers and excess parking. He understood this was the concern the Council was trying to address.

Councilmember Robertson stated she did not support the Council putting a rule in place for the two or three short term rental properties that were not abiding by current City regulations.

Councilmember Paul requested further information regarding the fees that were charged for rental properties. Mr. Fiske described the City's rental fee structure in further detail with the Council.

Councilmember Hovland stated he would support the City leaving the matter as is at this time so long as staff and the police department have the tools they need to enforce City ordinance. He indicated he could support the City having more short-term rentals when special events are hosted in the community.

Mr. Fiske thanked the Council for their feedback and encouraged the Council to recommend residents contact City staff with any concerns or complaints they have about short-term rental properties in order to ensure these properties are licensed, inspected and following the rules.

Informational: no action required

30 Minute Discussion

3-3

Review Options for Rooftop Solar at Water Treatment Plant 4

Attachments: [WS 2018-10-18 WTP4 Rooftop Solar PV](#)
 [CC WS Minutes 10-18-2018 WTP4 Solar](#)
 [Solar Developer Breakeven Cost Analysis](#)

Public Works Director Haukaas stated during the initial design and scoping of Water Treatment Plant 4, the City Council was supportive of exploring the inclusion of solar energy generation at the new facility. Those early discussions recognized the ever-changing landscape of solar energy equipment, costs, and partnership options and it was concluded to wait until the plant was fully operational before exploring further the addition of solar to maximize return on investment and take advantage of the latest technology. While it was generally recognized that the solar installation may not result in significant cost savings, some Councilmembers were interested in more sustainable infrastructure.

Mr. Haukaas stated now that WTP4 is fully operational, staff worked with a consultant team from Barr Engineering to request proposals for solar energy generation at WTP4. Three companies that provide this type of installation were invited to submit proposals. Only two of those companies responded, however each provided more than one option. These proposals were received on April 28, 2022 and were shared with

City staff for discussion and selection. Solar projects are not straightforward to award in the same way that other projects are bid. They are dependent on several factors beyond initial cost due to the current and future cost of traditional energy supply.

Councilmember Hovland asked if solar companies catered to residential properties as well as commercial properties. Mr. Haukaas stated he was uncertain but noted most solar companies were focused on larger arrays. City Manager Wolfe reported solar energy companies have tax credits for both residential and commercial users.

Councilmember Newland reported he liked the green roof at the water treatment facility but would have a difficult time supporting the cost for rooftop solar panels. He explained he was comfortable with Connexus working on a network in the community, but at this time did not support the expense.

Councilmember Jeppson stated she fully supported the rooftop solar. She believed this was a great use for this rooftop and encouraged the City to pursue a public/private partnership for this project because there would be more solar opportunities in the future.

Mayor Sanders suggested staff pursue grant dollars for the project as well. Mr. Haukaas stated tax credits were worked into the proformas.

Councilmember Hovland discussed the solar array installed at Aveda and suggested staff speak with representatives from Aveda to learn more about their solar power. Mr. Haukaas stated Aveda has a large ground mounted solar arrays and were in the Xcel service area.

Councilmember Robertson commented she supported the City pursuing sustainable energy sources. However, she believed the Council should have a larger conversation on its approach to sustainable energy before taking this project on in order to have a proper strategic plan in place. She stated the timing for this project was tough given the cost for the rooftop panels and the slow return on investment. Mr. Haukaas commented staff understood solar energy was not in the strategic plan yet.

Councilmember Robertson questioned if the cost to do this project in 2018 was higher or lower. Mr. Haukaas reported the cost was about the same, but the efficiency of the panels has improved over time.

Councilmember Robertson stated at this time she would not support this project.

Councilmember Paul supported a study being completed on the project prior to it moving forward. Mr. Haukaas reported the water treatment plant had infrastructure in place to support a change. He explained if the rebates change or the costs change he would bring this item back to the Council.

Mayor Sanders asked what the life expectancy was for the rooftop solar panels. Mr. Haukaas stated the panels had a life expectancy of 20 years.

Council consensus was to not support the rooftop solar project at this time.

30 Minute Discussion

3-4

Costs for Contract Commodities

City Engineer Schluender provided a brief explanation of the current state on commodities and labor and its impact on pricing. Staff discussed how estimates are created for a project as it is proposed in a five-year Capital Improvement Plan, preliminary design/feasibility report, final design, and review of actual bids. He commented further on how material delays were impacting projects.

Councilmember Hovland discussed how stockpiling materials would only make the supply chain situation worse for everyone. He asked if any contractors were putting out low bids and then adding 20% to 25% contingencies after the fact. Mr. Schluender stated this could be happening but would come with great risk for the contractors.

Mayor Sanders thanked staff for the update on this item.

Informational: no action required

30 Minute Discussion

4 Other Business

Councilmember Massoglia said he intended to make an amendment to the Sunrise Elementary conditional use permit item on the regular agenda to allow for portable classrooms as residents had contacted him asking for this change. Community Development Director Thorvig reported this may require another approval process but would follow-up.

City Clerk Sorensen requested the Council amend the agenda to reorder the items having Item 11.3 discussed after Item 11.6.

Ms. Sorensen reported the council would be holding an election canvass

meeting on Friday, August 12 at 9:00AM.

ADJOURN

The Workshop was adjourned at 7:25PM.

Adjourned