# City of Blaine
# City Council Workshop

September 18, 2023 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

## MINUTES

**NOTICE OF WORKSHOP MEETING**
In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

### 1. Call to Order

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

**PRESENT**: Mayor Tim Sanders, Councilmembers Leslie Larson, Chris Massoglia, Tom Newland, Jess Robertson, and Lori Saroya.

**ABSENT**: Councilmember Terra Fleming.

Quorum Present.

**ALSO PRESENT:** City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Engineering Dan Schluender; City Attorney Tom Loonan; Senior Parks and Recreation Manager Jerome Krieger; Finance Analyst Jenna Tritten; Public Works Director Nick Fleischhacker; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

### 2. New Business

**2.1.** 2023-440 City Manager Initial General Fund and Preliminary Levy
*Sponsors: Jason Zimmerman, Finance Director, Jenna Trittin, Finance Analyst*

Finance Analyst Trittin stated at the September 11 council workshop, staff presented information on the General Fund and Economic Development Authority (EDA) budgets, background on the debt levy and internal service funds, and preliminary levy options. Staff will build on what was presented to prepare council to adopt a preliminary levy. The agenda item text is similar to what was provided for the September 11 meeting and includes additional information. At the August 21 council workshop, staff brought a final copy of the small group presentation as well as general budget updates. The 2024 budget has provided unique challenges and opportunities. In addition to changes in City staff, a new web-based budget system has been implemented. While the budgeting software provides a more accurate and sophisticated model, the collaborative city-wide budgeting efforts identified several cost elements that were incomplete or incorrectly budgeted in recent years. Budget costs can be broken into ongoing expenses that are anticipated to increase a similar amount every year and one-time adjustments that have a higher impact in the first year and a smaller impact in future years. State statute requires local governments to adopt a preliminary levy by September 30; Council will be asked to adopt a preliminary levy at the Monday, September 18 council meeting. Best practice is to adopt a preliminary levy that provides adequate flexibility for the council to react to changing economic conditions and needs of the community. It was noted council will adopt the final levy at a December council meeting. Staff further reviewed how the median family home would be impacted by the proposed budget and tax levy and requested feedback from the council.

City Manager Wolfe commented on the history of the pavement management plan and explained the city was at the point it would have to levy in order to move forward with projects. She discussed how these expenses will decrease in time when the city can shift to roadway maintenance versus roadway reconstruction.

Councilmember Larson requested further information regarding the city's tax capacity. Finance Director Zimmerman provided the council with a definition on the city's tax capacity. He reported this percent (31.8%) is the percent of tax dollars paid to the city.

Councilmember Robertson commented on what other communities are paying for property taxes, noting Blaine has historically been on the low end when compared to surrounding communities.

Ms. Wolfe encouraged the council to not be too concerned in percentages then discussed how even with the proposed levy increase, Blaine would be on the low end when it came to property taxes. She believed Blaine taxpayers received great value for the property taxes that were paid.

Councilmember Saroya questioned why Edina's proposed levy was so high and asked if they provided different or more services to residents. Mr. Zimmerman commented he did not have this information but believed there was much overlap in services provided, adding there may be some minor differences in all communities. Ms. Wolfe indicated all cities were dealing with increased prices for labor and commodities, along with increased costs for public safety.

Councilmember Larson requested further information regarding the additional staff positions. Ms. Trittin reviewed the list of potential staffing requests.

Further discussion ensued regarding how the levy would increase in future years if the debt levy was not fully funded.

Councilmember Robertson stated reserves currently has $2.5 million. She questioned if the council could use these dollars for capital purchases instead of levying dollars. Ms. Trittin reported this was the case.

Councilmember Robertson inquired if any of the items within the levy would have any pressures or adverse impacts on the city's AAA bonding rating. Mr. Zimmerman stated he was not a rating agent, but noted a city's willingness to increase taxes was looked upon favorably, along with having excess cash in funds. Ms. Wolfe indicated Baker Tilly has already taken a preliminary look in order to understand where the city may land.

Ms. Wolfe reported staff drafted the resolution with the higher proposed scenario and would be able to adjust for the council meeting in order to have the appropriate information for the council if needed.

Councilmember Larson questioned when the council would vote on the final budget and tax levy. Ms. Wolfe reported this would occur in December.

Councilmember Newland stated he supported staff's recommendation.

Councilmember Saroya requested further information regarding the new staffing positions. Ms. Wolfe spoke to the new position requests and discussed how several of the new positions would have a direct impact for residents.

Mayor Sanders thanked staff for the detailed presentation.

**2.2.** 2023-430 2023-2026 Strategic Plan Review
*Sponsors: Ben Hayle, Communications Manager, Michelle Wolfe, City Manager*

Communications Manager Hayle stated from April 2023 through August 2023, the City of Blaine engaged in a strategic planning process. The process yielded an organizational strategic plan covering 2023-2026.An organizational strategic plan is not designed to be a community visioning document. The City participates in community visioning through the comprehensive planning process and select master planning efforts. The new strategic plan was built from an existing plan that was first created in 2019 and then updated in 2022. The plan consists of six strategic priorities — the issues of greatest importance to the City over the next four years. Associated with each priority is a set of desired outcomes, key outcome indicators, and performance targets, describing expected results and how the results will be measured. The plan also includes strategic initiatives that will be undertaken to achieve the targeted outcomes. The planning effort began with an examination of the operating environment, consisting of an environmental scan and strengths, weaknesses, opportunities and threats (SWOT) analysis. On June 12, 2023, the City Council held a facilitated strategic planning retreat with staff. At the retreat, the team identified a set of priorities, key outcomes, performance targets, and reviewed the City's vision, mission, and values statements. Based upon those priorities, the City staff met on July 13, 2023, to determine a set of strategic initiatives and begin the process of developing detailed action plans. Staff is seeking Council feedback prior to bringing the strategic plan forward for formal adoption. After the plan is adopted, staff will begin planning for implementation with regular updates to the Council.

Councilmember Massoglia recommended the city reconsider the importance of a comprehensive financial manual. He supported the city having financial fund targets. Ms. Wolfe indicated the plan for this manual was for it to be internal for staff. Mr. Hayle commented on how this manual would consolidate policies for staff. It was noted this would be a living document that could be amended over time.

Councilmember Robertson asked if the finance director had input on the finance strategies. Ms. Wolfe reported Finance Director Zimmerman did have input on the strategies.

Councilmember Massoglia stated he did not want to see a large expense made to complete the proposed comprehensive financial manual.

Councilmember Newland questioned what a governance index was. Mr. Hayle commented on how a governance index would be established through a city survey and how the city can work to improve functions or scores based on the survey results.

Councilmember Robertson inquired if the city should identify the service road on the west side of TH65 within the strategic plan. Director of Engineering Schluender stated the council could identify this within the strategic plan. Mr. Hayle anticipated this would be a step in the action plans for this project.

Mr. Hayle reported staff would be bringing this formal plan forward in October for council approval. He asked how often the council would like staff to bring this matter back for review and consideration.

Councilmember Robertson supported this being done on a quarterly basis.

Mayor Sanders agreed, noting this would allow for the city to celebrate victories along the way.

**2.3.** 2023-448 Closed Session to Discuss Non-Public Data Relating to an Active Investigation Pursuant to Minnesota Statute Section 13D.05, Subd. 2(2)
*Sponsors: Tom Loonan, City Attorney*

Motion and second to reconvene the recessed workshop at 9:44 PM and move to close the meeting pursuant to Minnesota Statute Section 13D.05, Subd. 2(2) to discuss non-public data relating to an active investigation.

Motion adopted unanimously.

## 3. Other Business

Ms. Wolfe reported staff anticipated there would be a large number of residents who would want to speak during the public hearing for the sober living home request at the council meeting. City Attorney Loonan commented further on the two items that were under consideration for the sober living home, which included a license and reasonable accommodation which would allow for up to 16 unrelated people to live in the home. He explained the council does have some level of discretion when considering the number of individuals that would live in this home.

## 4. Adjournment

**Signed by** ______________________________
Tim Sanders, Mayor

**Signed by** ______________________________
Catherine M. Sorensen, CMC, City Clerk

The Workshop was adjourned at 10:25PM.