City of Blaine
City Council Workshop

December 4, 2023 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

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

2. New Business

2.1. 2023-539 Trunk Highway 65 Update
Sponsors: Daniel Schluender, Director of Engineering

2.2. 2023-605 City Attorney Contracts
Sponsors: Michelle Wolfe, City Manager

2.3. 2023-606 2024 General Fund Budget & Tax Levy
Sponsors: Jason Zimmerman, Finance Director

2.4. 2023-607 2024 Charitable Gambling Budget
Sponsors: Jason Zimmerman, Finance Director

2.5. 2023-608 Proposed Charter Amendment - Council Salaries
Sponsors: Cathy Sorensen, City Clerk

2.6. 2023-610 Proposed Charter Amendment - Council Recall
Sponsors: Cathy Sorensen, City Clerk

2.7. 2023-609 Proposed Charter Amendment - Redetermination of Ward Boundaries
Sponsors: Cathy Sorensen, City Clerk

3. Other Business

4. Adjournment

City of Blaine
Staff Report

File Number: 2023-539

Agenda Date	Status
December 4, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Daniel Schluender, Director of Engineering

Agenda Item # 2.1

Trunk Highway 65 Update

Background

Staff will present a quick update on the TH 65 project, including status of Funding, Lobbying/Legislative efforts, Project Meetings of Note, and Project Design schedule.

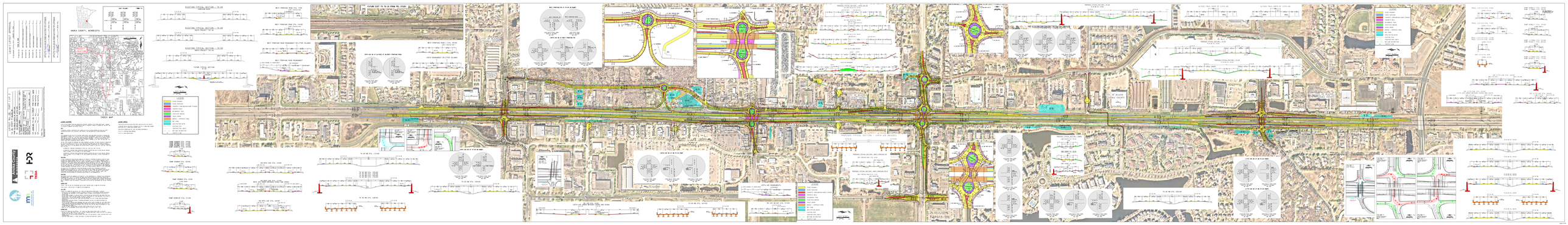
Staff Recommendation

Staff will be discussing Segment #1 and Segment #3 from the PEL study.

Questions for Council

Attachment List

1. SP 0208-169 Layout 1B 1of2
2. Funding Sources


LEGEND
PROPERTY LINE
EASEMENT
CONSTRUCTION LIMITS
BITUMINOUS TRAIL
CONCRETE TRAIL
BITUMINOUS PATH
CONCRETE PATH

Sources		Funding Eligibility			Funding Year
		Const	ROW	Proj Dev	
Metro Local Partnership Program (LPP) Funding	$624,600	X		X	State FY 2024
Transportation Economic Development (TED) Program Funding	$4,600,000	X		X	State FY 2025
2020 General Obligation (GO) Bond Funds - Minn. Laws 2020, 5th Special Session, Chapter 3- H.F. 1	$1,500,000	X		X	2020
2020 Met Council Regional Solicitation -99th Avenue Interchange	$10,000,000	X		X	FFY 2024
2021 Trunk Highway (TH) Bond funds - per MnDOT Comm. Ltr	$7,000,000		X	X	2021
2022 Met Council Regional Solicitation - 109th/105th Avenue Interchange	$10,000,000	X			FFY 2027
2022 Federal Congressional Directed Funds (Earmark) for 109th Avenue	$5,000,000	X	X		**FFY 2025**
2022 Federal Congressional Directed Funds (Earmark) for 99th Avenue	$4,000,000	X	X	X	**FFY 2025**
2023 Trunk Highway (TH) Bond Funds - per HF No. 2887 Subd. 4 Trunk Highway 65 - Anoka County & Blaine	$68,750,000	X	X	X	**FFY 2027**
2023 General Fund from HF669 Funding for "Anoka County - Trunk Highway 65 Improvements"	$25,000,000	X	X	X	**FFY2027**
2023 General Fund from HF670 Funding for "Anoka County - Trunk Highway 65 Improvements"	$9,000,000	X	X	X	2023

2023 RAISE Grant	$20,000,000	X	X	X	2023
2022 Corridors of Commerce (COC) Funding	$30,000,000	X	X	X	FFY 2024
Subtotal of Secured Funding Sources:	**$197,004,600**				

City of Blaine
Staff Report

File Number: 2023-605

Agenda Date	Status
December 4, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Michelle Wolfe, City Manager

Agenda Item # 2.2

City Attorney Contracts

Background

The 5-year contracts for both civil and prosecution services with Eckberg and Lammers will end on December 31, 2023. In 2018, a request for proposals was conducted with seven proposals received, and three firms selected for interviews. City Council directed staff to present contracts for both civil and criminal prosecution with Eckberg and Lammers for approval at the October 4, 2018, City Council meeting. Both contracts are attached.

Eckberg submitted a proposal for three-year renewals of the contracts commencing January 1, 2024, through December 31, 2026. The 2024-2026 criminal prosecution proposal requests a 3% increase each year of the contract. The 2023 annual fee for prosecution is $264,000 and the 2024 rate would be $271,920. Currently, the city has a hybrid agreement for civil legal services which includes a monthly retainer and an hourly rate. The hourly rate is dependent on the type of legal services required. The proposal is attached and explains the fees in greater detail.

Staff Recommendation

Questions for Council

Is the City Council supportive of placing the contract renewals for criminal prosecution and and civil legal services on the agenda for the December 18 regular meeting?

Attachment List

1. Civil Legal Services
2. Criminal Legal Services

3. 2024-2026 Proposal for Legal Services

CONTRACT FOR CIVIL LEGAL SERVICES

This Agreement is entered into by and between the City of Blaine (hereinafter "City"), 10801 Town Square Drive, Blaine, MN 55449, and Patrick J. Sweeney (hereinafter "City Attorney"), for the purpose of utilizing the City Attorney to provide civil legal services to the City.

RECITALS

WHEREAS, by Request for Proposal dated June 20, 2018, (the "RFP"), the City solicited proposals for civil legal services.

WHEREAS, Patrick J. Sweeney and the law firm of Eckberg Lammers, P.C. submitted a proposal for civil legal services.

WHEREAS, the City of Blaine has chosen to re-appoint Patrick J. Sweeney as Blaine Civil City Attorney.

TERMS

NOW THEREFORE, IN CONSIDERATION OF the mutual promises contained herein and for other good and sufficient consideration, the parties agree to the following:

1. Engagement. City does hereby engage City Attorney to perform civil legal services as set forth and upon the terms contained herein.

2. Scope and Nature of General Civil Services. The parties agree to the following description of the nature of the general civil services to be provided by the City Attorney to the City under the retainer fee:

> Attend all regularly scheduled City Council meetings and three City Council workshop meetings per month; attendance at other City, Economic Development Authority, Commission, or Committee meetings, as requested by the City Council or City Manager; attendance at office hours in City Hall as requested by the City Manager; the ordinary and usual day-to-day city legal work including; legal opinions and reports; non-appellate research; ordinance review and amendments; standard contract and lease review; and consultations with administrative staff, city council, and city employees.

3. Scope and Nature of Other Civil Legal Services. The parties agree to the following description of the nature of the Other Legal Services to be provided by the City Attorney at the request of the City:

> Legal services in connection with civil litigation or potential civil litigation; capital and improvement projects; development projects; Economic Development

Authority Projects; condemnation; real estate purchases and sales; assessment appeals; emergency or special projects; ordinance drafting; litigation or potential litigation involving licensing or code enforcement; and other matters not contemplated to be included in general civil services.

4. Compensation. The compensation to be paid by City to City Attorney shall be as follows:

a) Compensation for general civil services (retainer fee).

Year 1	(01/01/19 – 12/31/19)	$2,650 per month
Year 2	(01/01/20 – 12/31/20)	$2,800 per month
Year 3	(01/01/21 – 12/31/21)	$2,950 per month
Year 4	(01/01/22 – 12/31/22)	$3,100 per month
Year 5	(01/01/23 – 12/31/23)	$3,250 per month

b) Compensation for Other Civil Legal Services (hourly fees). The hourly rates for attorneys and legal assistants identified in the proposal submitted by the City Attorney are as follows:

City Attorney-

Year 1	(01/01/19 – 12/31/19)	$145 per hour
Year 2	(01/01/20 – 12/31/20)	$150 per hour
Year 3	(01/01/21 – 12/31/21)	$155 per hour
Year 4	(01/01/22 – 12/31/22)	$160 per hour
Year 5	(01/01/23 – 12/31/23)	$165 per hour

Legal Assistant -

Year 1	(01/01/19 – 12/31/19)	$80 per hour
Year 2	(01/01/20 – 12/31/20)	$85 per hour
Year 3	(01/01/21 – 12/31/21)	$90 per hour
Year 4	(01/01/22 – 12/31/22)	$95 per hour
Year 5	(01/01/23 – 12/31/23)	$100 per hour

c) Expenses to be billed.

The City will reimburse the City Attorney for actual, necessary and reasonable costs and expenses incurred by the City Attorney in the performance of the legal services contained in this Contract.

Copying and printing: $.25 per page
Billings for local mileage: not chargeable
Courier or delivery charges: at cost
Process server fees: at cost
Court filing fees: at cost
Document filing fees: at cost

Court reporters transcript fees: at cost

5. Billing Format, Payment Expectations, Term, Insurance and Interests.

a) Billing Format: The City Attorney will submit monthly billing statements, for both retainer and hourly matters. Other Civil Legal Services shall be itemized. Time shall be billed in tenths of an hour.

b) Payment Expectations: The City will pay the City Attorney routinely according to its internal payment procedures by electronic funds to the City Attorney paying for both legal services and expenses shown on the City Attorney's invoice.

c) Term: The term of this Contract will be from January 1, 2019 to December 31, 2023. This contract may be terminated by either party upon sixty days written notice

d) Insurance: The City Attorney shall maintain professional liability (malpractice) insurance at a minimum coverage level of $1,000,000 per claim, and $2,000,000 annual aggregate.

e) Interests: The parties agree to mutually evaluate the usage of civil legal services prior to the conclusion of this Contract, in order to evaluate usage and identify areas where modification(s) and/or an extension of the parties' relationship may be mutually beneficial.

THE CITY OF BLAINE

BY: _____
Tom Ryan, Mayor

BY: _____
Clark Arneson, City Manager

DATED: 10-8-18

CITY ATTORNEY

_____
Patrick J. Sweeney

DATED: 10-8-18

CONTRACT FOR CRIMINAL PROSECUTION LEGAL SERVICES

This CONTRACT FOR CRIMINAL PROSECUTION LEGAL SERVICES (the "Agreement") is entered into by and between the City of Blaine (hereinafter "City"), 10801 Town Square Drive, Blaine, MN, 55449, and the law firm of Eckberg Lammers, P. C. (hereinafter "Law Firm"), 1809 Northwestern Avenue, Stillwater, MN, 55082, for the purpose of utilizing the Law Firm to provide criminal prosecution legal services to the City.

RECITALS

1. The City wishes to retain the Law Firm to provide criminal prosecution legal services on behalf of the City.

2. The Law Firm agrees to provide criminal prosecution legal services to the City on a monthly flat fee retainer paid by the City to the Law Firm.

3. The monthly flat fee retainer rates identified in the proposal submitted by the Law Firm are as follows:

Year 1	(01/01/19 – 12/31/19)	$19,500 per month
Year 2	(01/01/20 – 12/31/20)	$20,000 per month
Year 3	(01/01/21 – 12/31/21)	$20,500 per month
Year 4	(01/01/22 – 12/31/22)	$21,250 per month
Year 5	(01/01/23 – 12/31/23)	$22,000 per month

Expenses to be billed:

The City will reimburse the Law Firm for the actual, necessary and reasonable costs and expenses incurred by the Law Firm in the performance of the legal services contained in this Agreement. These costs and expenses include but are not limited to:

- Process Server Fees
- Court Filing Fees
- Court Reporter Transcription Fees

The Law Firm will <u>not</u> charge for the following:

- Office Supplies
- Printing Expenses
- Prosecution Meetings

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises contained herein and other good and sufficient consideration, the parties hereto agree to the following:

TERMS

1. **Scope and Nature of Prosecution Services:** The parties hereto agree to the following description of the nature of the legal services to be provided by the Law Firm to the City:

   a) Meetings and/or telephone conversations with and advising the Mayor, Council Members, City Manager, Police Chief, and other authorized staff on general criminal legal matters.

   b) Research and submission of legal opinions on municipal or other criminal legal matters requested by the City Manager, Police Chief or other authorized staff; availability to answer staff questions by telephone.

   c) Legal consultation and general support for the Mayor, Council Members, City Manager, Police Chief and other authorized staff on general criminal legal matters.

   d) Provide high level of customer service by responding in a prompt manner.

   e) Prosecute all petty misdemeanor, misdemeanor and statutorily delegated gross misdemeanor offenses committed within the corporate limits of the City. This service includes all such cases initiated by any law enforcement agency and citizen complaints including, but not limited to, traffic violations, DWI cases, theft and City Code violations.

   f) Provide advice, consultation and training where required to the City's Police Department and to all other departments of the City in the interpretation and enforcement of statutes, ordinances and investigations of violations in connection with the prosecution of criminal cases.

   g) Prepare criminal complaints where facts warrant.

   h) Evaluate all cases where a plea of not guilty is entered and prosecute where warranted.

   i) Prepare appropriate pre-trial notices as required.

   j) Seek such additional investigation as required.

   k) Negotiate and enter plea bargains where deemed advisable.

l) Represent the City at all pre-trial motions.

m) Perform all legal research and prepare briefs when required.

n) Try all jury and court cases.

o) Draft ordinances, ordinance amendments, resolutions, and correspondence as requested.

p) Review ordinances as requested.

q) Render written opinions on law when requested, including interpretation of statutes, ordinances, rules and regulations.

r) Ensure proper notification and preparation of police officers and staff for trial.

s) Investigate and evaluate all claims by the City against others and recommend appropriate courses of action, including, but not limited to: code enforcement issues and administrative citations.

t) Handle all criminal appeals and contested DWI forfeiture matters.

u) Defend in court all litigation where no insurance coverage is available. This includes but is not limited to: (1) administrative actions and administrative citations; and (2) code enforcement issues.

2. **Conflict of Interest and Attorney/Client Privilege:**

a) **Conflict of Interest:** The Law Firm will notify the City if the Law Firm represents or has ever represented an opposing party in a legal matter, whether within or outside of any of the scope of services mentioned by the retainer above. In the event of a conflict, the Law Firm shall arrange for suitable alternative representation. The City will not be responsible for any conflict of interest expenses incurred.

b) **Attorney/Client Privilege:** The Law Firm is authorized to utilize e-mail without encryption to transmit and receive confidential client information. While digital cordless and cellular telephones within a digital service area would be best to be used to transmit and receive confidential client information and may be used by the Law Firm to transmit and receive confidential client information. The City specifically acknowledges that it understands the confidentiality risks associated with inadvertent interception.

3. **Prosecution Services Billing Format, Cycle, Payment Expectations and Term of contract.**

a. **Billing Format:** The Law Firm will submit monthly statements for criminal prosecution legal services rendered for the prior month, including expenses incurred.

b. **Payment Expectations:** The City will pay the bill of the Law Firm routinely according to its internal payment procedures by forwarding a check to the Law Firm paying for both legal services and expenses shown on the Law Firm's monthly statement.

c. **City Approval and Term of Contract:** The City Council authorizes the Law Firm to commence performing the services contemplated under this Agreement on January 1, 2019. Term: The term of this Contract will be from January 1, 2019 to December 31, 2023. This contract may be terminated by either party upon sixty days written notice.

(The remainder of this page is intentionally left blank.)

THE CITY OF BLAINE

By: _____
Tom Ryan, Mayor

By: _____
Clark Arneson, City Manager

Dated: 10-8, 2018

ECKBERG LAMMERS, P.C.

By: _____
Thomas J. Weidner

Dated: 10-9-, 2018

ECKBERG LAMMERS
ATTORNEYS AT LAW

www.eckberglammers.com

Writer's Direct Dial:
(715) 808-8842

Writer's E-mail:
tloonan@eckberglammers.com

Reply to Stillwater

November 15, 2023

VIA EMAIL ONLY

City of Blaine
Attn: City Manager Michelle Wolfe
10801 Town Square Drive
Blaine, MN 55449

RE: Renewal of Eckberg Lammers Prosecution and Civil Legal Services Contracts

Dear Manager Wolfe, Mayor Sanders and Blaine City Councilmembers,

It has been Eckberg Lammers, P.C.'s pleasure to serve as legal counsel for the City of Blaine over the past five years. Eckberg Lammers serves the City's needs for both civil and prosecution legal matters. 2023 is the final year of our five-year contract requiring us to revisit the contracts and memorialize the terms extending our relationship. In addition to civil and prosecution services, the City and Eckberg Lammers also have a third contract for labor and employment legal services, which does not expire until the end of 2024 and is not contemplated in this letter.

For prosecution services, Eckberg Lammers proposes a three-year renewal term commencing January 1, 2024 continuing through December 31, 2026. To ensure compensation remains competitive within the legal community, our prosecution team requests a yearly increase of 3% for each year of the contract beginning in 2024. The City currently pays an annual fee of $264,000 for prosecution services. The proposed increase for 2024 is $7,920, for an annual total of $271,920.

For civil legal services, the City currently has a hybrid agreement whereby it pays a monthly retainer for all general civil services and an hourly rate for specialized legal services. General legal services include attendance at City Council Meetings, Council Workshops, and EDA Meetings, participation in bi-monthly management meetings and availability of the City Attorney during office hours held bi-monthly at City Hall. The retainer also includes the day-to-day base legal needs of the City including responses to ordinary and usual day-to-day legal questions, analysis regarding high-level legal concerns, legal reviews and analysis of ordinances and statutes including, general contract review and drafting and consultations with administrative staff, City Council and City staff relating to non-specialized matters as needed. For the year 2023, the City's monthly retainer amount is $3,250 per month.

Specialized legal services are those services that require a higher degree of attention and skill including civil litigation or potential civil litigation; capital and improvement projects; development projects; Economic Development Authority Projects; condemnation; transactional matters including real estate;

Stillwater Office
1809 Northwestern Avenue
Stillwater, MN 55082
Phone: 651-439-2878
Fax: 651-439-2923

Hudson Office
430 Second Street
Hudson, WI 54016
Phone: 715-386-3733
Fax: 715-386-6456

assessment appeals; emergency or special projects; specialized analysis relating to police administration, ordinance drafting; licensing or code enforcement; and other matters not contemplated to be included in general civil services. For the year 2023, the City pays an hourly rate of $165 for Attorneys work relating to the specialized services.

For the renewal of the civil legal services agreement, we propose a three-year extension with slightly modified terms to ensure our office maximizes the value provided to the City while also accounting for the City's growing demands and the changing economic climate over last five years. We recommend maintaining the hybrid model allowing Eckberg Lammers to invoice the general civil services within a fixed monthly cost of the retainer to maintain a structure that encourages the use of legal counsel to address common concerns and hopefully avoid major issues arising due to lack of proper diligence. For the renewed agreement we propose the following monthly retainer rates: $4,000 (2024); $4250 (2025); $4500 (2026). For specialized legal services we propose an increase of the hourly rate to $175 an hour in 2024, $182.50 an hour in 2025, and $190 an hour in 2026.

Additionally, we propose updating the civil legal agreement to include a new provision regarding reimbursed projects, meaning those projects for which the City receives reimbursement for the payment of professional services, including legal fees. It is standard practice within the municipal legal community to bill pass-through projects at a separate rate. For these projects, we propose an hourly rate of $235 per hour in 2024 increased by $10 an hour each year thereafter. For clarity, this rate will only apply to projects that allow for the pass through of legal fees meaning the rate will be the responsibility of a third party and not the City.

Our law firm values our ongoing partnership and the strong relationships we have developed while serving the City of Blaine. We are eager to continue serving the City's legal needs. If you have any questions or concerns regarding the contract renewals and proposed modifications, please contact me directly and I will be happy to discuss at your convenience.

Upon the City's confirmation of the renewal terms, our office will prepare new legal service agreements for both the prosecution and civil legal services to reflect the adoption of these modified terms for approval at the next regular City Council Meeting.

Thank you for your time and consideration. We look forward to our continued professional relationship with the City.

Sincerely,

/s/ Tom Loonan

Thomas R. Loonan

cc: Joe Van Thomme, City Prosecutor

City of Blaine
Staff Report

File Number: 2023-606

Agenda Date	Status
December 4, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Jenna Trittin, Finance Analyst

Agenda Item # 2.3

2024 General Fund Budget & Tax Levy

Background

City Manager's Recommended Levy – 17.59% Levy Increase
The City Manager has completed a review and developed a final recommendation for the 2024 city levy (excludes EDA). The final recommendation is attached.

The recommended levy includes what is necessary to maintain services, enhance public safety, and fully fund the debt issued for core infrastructure and equipment. Further reductions to the levy would result in a decrease of service levels and increased future financial risk.

The recommended scenario would allow for additional staffing as follows:

- Two patrol officers
- Victim services advocate
- Two to three positions to be determined from list of submitted requests (quantity of positions filled dependent on position costs)
- Note: two public service workers are being added in the utility funds

Additions to the scenario are:

- $20,000 added for forestry consulting; which is necessary as the city no longer has a forester on staff
- $60,000 of additional revenues from liquor licenses which reduces the levy
    - Liquor license fees are recommended be increased by $2,000 to $7,800 for 2024
    - Brings the city's liquor license fees to the average charged by other area cities
- Adjustments for the actual required debt levy are yet to be determined
    - Will be known once the debt issuance is sold on December 4

The City Manager recommendation is to consider utilizing strategic priorities funding for the pilot weed control program of $152,000 for 2024 and delay the enhancement of the tree removal program to 2025.

City Manager Assessment of Scenarios Presented November 20

- Scenario 1 – 19.16% Levy Increase (Preliminary Levy)
    - Includes items that were proposed and vetted for 2024 (base budget, department requests, and levying the full amount for anticipated debt service)
    - Not recommended as the scenario includes items that the city has the ability to delay without risks as well as items that can be funded using alternate sources
- Scenario 2 – 18.21% Levy Increase
    - Includes base budget, safe margin, addition of 3 staff, salt enhancement, citywide IT training, council initiatives, enhanced city marketing, and levying the full amount for anticipated debt service
    - Not recommended as scenario includes some items that could be removed without risks to service levels
- Scenario 3 – 17.08% Levy Increase
    - Includes base budget, safe margin, addition of one staff member, and levying the full amount for anticipated debt service
    - Not recommended as the scenario:
        - Does not include liquor license revenue increases
        - Does not include funds for forestry consulting
        - Removes an additional staff member
        - Removes funds for enhanced salt
    - The above are important as additional revenue, one additional staff person to help meet service levels, and service enhancements that reflect what staff hear from the public
- Scenario 4 – 15.33% Levy Increase
    - Includes committed and mandatory costs in the base budget and utilizes funds on hand to temporarily lower the debt service levy
    - Not recommended as it leverages existing resources and erodes reserves; selecting scenario 4 or a lower levy results in reduced service levels

City Manager's Recommendation

Initial budget requests were submitted in May and have been reviewed after each council workshop and meeting. Not only were requests evaluated and vetted, opportunities for savings and reductions were identified and explored. In addition, it should be noted that the council's commitment to resolving the deficit balances in the internal service funds directly contributed to the city maintaining its AAA credit rating for the most recent debt issuance (rating attached).

As a reminder, based off the proposed property tax levies for our peer communities, Blaine continues to provide phenomenal value for property owners. Absent other significant funding sources, the impact of funding core city services falls vastly on property taxes.

At this time, after extensive review, this is the City Manager's recommended levy to fund core city services. The recommended levy increase of 17.59% supports a budget that reflects the true costs of

operating our city and provides a more stable and accurate base for building future budgets. At the recommended levy, the median valued single-family property in Blaine valued at $327,400, which experienced an increase of 2.18% in value, is estimated to see the city's share of their property tax bill increase by approximately $89.43 or 9.01% for 2024. (As a reminder, assessed values are not final.)

Other background information is included below.

At the September 11 council workshop (Item 2.5), 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.

At the September 18 council workshop (item 2.1), staff provided additional information on the General Fund and Council adopted a preliminary city levy of $44,222,501, an increase of 19.2 percent, at the September 18 council meeting.

At the October 30 council workshop, staff presented a list of City levy reduction options and adjustments, property tax information, and alternate funding options for certain items. A target levy was not decided during the workshop; however, council guidance was to continue to look at reductions.

At the November 20 council workshop, staff presented four scenarios (attached) for council consideration and requested a target levy increase from council. A consensus was not reached by council members and staff was directed to bring the item back for the December 4 workshop.

Staff Recommendation

Staff recommends the following:

- A final levy increase of 17.59 percent.
- Utilizing strategic priorities funds for the pilot weed control program
- Increasing 2024 liquor license fees

Questions for Council

- Does council support the City Manager's Recommended Levy?
- Does council support funding the pilot weed control program with strategic priority funds?
- Does council support increasing liquor license fees in 2024?

Attachment List

1. 2024 General Fund Budget and Levy Presentation
2. 2024 City Manager Recommended Levy
3. 2024 City Manager Recommended Levy Itemization
4. November 20 Council Workshop - 2024 Levy Scenarios

5. 2023A Blaine S&P Global Credit Rating Report

2024 General Fund Budget and Levy

Council Workshop| Finance

12/04/2023

Agenda

- Background
- 2024 Scenarios
- Alternate Funding Sources
- Next Steps

Background

Section 1 of 4

Budget Outcomes

Budget Principles

- Financial sustainability
- Cost effective services
- Preserve City infrastructure

Council Goals

- Maintain AAA Credit Rating
- Invest in critical infrastructure
- Deliver exceptional public services

2024 Outcomes

- Address deferred maintenance
- Invest in public safety (SBM duty crew; 2 new officers)
- Financial sustainability (address unfunded costs)
- Address resident complaints (trees, weeds, pond program)
- Invest in equitable pay for staff (Class & Compensation Update)
- Invest in enhanced street maintenance (salt, utility employee additions)
- Maintain improved city-wide customer service expectations
- Utilize technology in innovative ways

2024 General Fund Initial Budget

Expenditures by Department with Revenues

with preliminary levy included

General Fund							
Revenue	**2023 Adopted Budget**	**2024 Base Budget**	**2024 Base vs 2023 Adopted**		**2024 Dept Req**	**2024 Dept Req vs 2023 Adopted**	
Taxes	31,712,000	35,963,346	4,251,346	13.4%	37,117,646	5,405,646	17.0%
Charges for Services	5,124,400	5,109,300	(15,100)	-0.3%	5,109,300	(15,100)	-0.3%
Licenses & Permits	2,874,500	2,763,200	(111,300)	-3.9%	2,763,200	(111,300)	-3.9%
Intergovernmental Revenues	1,626,000	1,945,000	319,000	19.6%	1,945,000	319,000	19.6%
Fines & Forefeitures	220,500	193,000	(27,500)	-12.5%	193,000	(27,500)	-12.5%
Miscellaneous Revenues	60,000	163,500	103,500	172.5%	163,500	103,500	172.5%
Investment Earnings	150,000	150,000	-	0.0%	150,000	-	0.0%
Other Financing Sources	-	122,400	122,400	N/A	122,400	122,400	N/A
Revenue Totals	**41,767,400**	**46,409,746**	**4,642,346**	**11.1%**	**47,564,046**	**5,796,646**	**13.9%**
Expenditures by Department							
10 - Legislative	467,760	475,163	7,403	1.6%	535,163	67,403	14.4%
20 - Administration	2,680,360	3,062,384	382,024	14.3%	3,146,884	466,524	17.4%
30 - Finance	3,865,080	3,619,694	(245,386)	-6.3%	3,667,494	(197,586)	-5.1%
40 - Safety Services	19,956,710	22,993,666	3,036,956	15.2%	23,042,666	3,085,956	15.5%
50 - Public Services	9,910,130	11,002,614	1,092,484	11.0%	11,460,614	1,550,484	15.6%
60 - Recreation	1,476,890	1,627,017	150,127	10.2%	1,672,017	195,127	13.2%
70 - Community Development	2,791,680	3,048,910	257,230	9.2%	3,058,910	267,230	9.6%
Nondepartmental	435,000	580,300	145,300	33.4%	580,300	145,300	33.4%
Potential to Add Four Staff	-	-	-	N/A	400,000	400,000	N/A
Expenditure Totals	**41,583,610**	**46,409,746**	**4,826,136**	**11.6%**	**47,564,046**	**5,980,436**	**14.4%**
Net Surplus (Deficit)	**-**	**-**			**-**		

Several revenue sources are decreasing for 2024

Base Budget Includes
Two Police Officers
Victim Services Specialist
SBM Fire (+ Duty Crew)
2024 Elections
Enhanced Salt
Facilities Maint. Costs

2024 Positions Requested*

Role	Estimated Wage and Benefit Costs
General	
Forester	$ 130,630
Facilities Manager	$ 146,043
Administration Position TBD/Elections & Record Technician	$ 68,817
Public Service Worker - Streets	$ 86,422
Fleet Manager	$ 123,735
Police Training Officer	$ 157,136
Commercial Building Inspector; if workload indicates need for additional inspection services and revenues will support, a budget amendment will be done in 2024 to allow for contracted inspections	$ 104,861
MAYC Receptionist (0.5 FTE Increase)	$ 32,335
HR Specialist (Benefits)	$ 96,289
Directed Operations Group Sergeant	$ 157,136
GIS Intern	$ 31,771
Total	$ 1,135,175
Utilities	
Public Service Worker – Sewer; included in Sewer budget	$ 86,422
Public Service Worker – Storm; included in Storm budget	$ 86,422
Total	$ 172,844

* Many positions were requested for 2024 and the list above includes the initial recommended positions. All positions are subject to available funding, council feedback on priorities, and final review by the city manager.

2024 Scenarios

Section 2 of 4

Slides include updated information received from Anoka County 11/17/23 and are subject to further changes as new information is received

City Levy Scenarios Presented November 20

Adjustment Description	Category	Adjustment	Levy Impact	Levy Increase	Scenario	Levy
Preliminary Levy	Preliminary Levy	-	N/A	19.16%	Scenario 1	44,222,501
Safe Margin	Policy	317,120	0.85%	20.01%		44,539,621
October Adjustments	Base Budget	(19,739)	-0.05%	19.96%		44,519,882
Alternate funding/reduced funding/no funding for department requests for tree removals	Department Requests	(300,000)	-0.81%	19.15%		44,219,882
Alternate funding/reduced funding/no funding for department requests for weed control services	Department Requests	(152,000)	-0.41%	18.74%		44,067,882
Remove - Building Inspections contractor funds	Base Budget	(133,000)	-0.36%	18.38%		43,934,882
Remove - Parks and Recreation maintenance funding	Department Requests	(45,000)	-0.12%	18.26%		43,889,882
Remove - All-Staff Training	Department Requests	(20,000)	-0.05%	18.21%	Scenario 2	43,869,882
Remove - Citywide IT Training	Department Requests	(11,000)	-0.03%	18.18%		43,858,882
Remove - Funds for Council Initiatives	Department Requests	(60,000)	-0.16%	18.02%		43,798,882
Option – Remove request for enhanced marketing (or reduce)	Department Requests	(18,500)	-0.05%	17.97%		43,780,382
Option – Remove requests for enhanced salt	Base Budget	(80,000)	-0.22%	17.75%		43,700,382
Option - Remove some of the new positions #1	Department Requests	(100,000)	-0.27%	17.48%		43,600,382
Option - Remove some of the new positions #2	Department Requests	(150,000)	-0.40%	17.08%	Scenario 3	43,450,382
Option - Remove some of the new positions #3	Department Requests	(150,000)	-0.40%	16.67%		43,300,382
Alternate debt funding; closed debt funds to reduce levy	Debt Levy	(500,000)	-1.35%	15.33%	Scenario 4	42,800,382
				15.33%		
Total		**(1,422,119)**	**-3.83%**			

City Manager's Recommended Levy – 17.59% Increase

Adjustment Description	Category	Adjustment	Levy Impact	Levy Increase	Levy
Preliminary Levy	Preliminary Levy	-	N/A	19.16%	44,222,501
Safe Margin	Policy	317,120	0.85%	20.01%	44,539,621
October Adjustments	Base Budget	(19,739)	-0.05%	19.96%	44,519,882
Remove - funding for tree removals	Department Requests	(300,000)	-0.81%	19.15%	44,219,882
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Remove - Building Inspections contractor funds	Base Budget	(133,000)	-0.36%	18.38%	43,934,882
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Remove - All-Staff Training	Department Requests	(20,000)	-0.05%	18.21%	43,869,882
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Remove - Request for enhanced marketing	Department Requests	(18,500)	-0.05%	17.97%	43,780,382
Remove - New position #1	Department Requests	(100,000)	-0.27%	17.70%	43,680,382
Add - Funds for forestry consulting	Expense Addition	20,000	0.05%	17.75%	43,700,382
Add - Liquor license revenues	Levy Reduction	(60,000)	-0.16%	17.59%	43,640,382
TBD - Debt levy adjustment for actual required levy based on issuance	TBD	-	0.00%	**17.59%**	**43,640,382**
Total		**(582,119)**	**-1.57%**		

City Manager's Recommended Levy Components

Levy Components	2023 Final Levy	2024 City Manager Recommendation	2024 $ Increase from 2023	2024 % of Levy % Increase
Base Increase		2,675,185	2,675,185	7.21%
One-Time Adjustments		1,423,422	1,423,422	3.84%
Department Requests Increase		147,800	147,800	0.40%
Addition of Staff		300,000	300,000	0.81%
Add - Funds for forestry consulting		20,000	20,000	0.05%
Add - Liquor license revenues		(60,000)	(60,000)	-0.16%
Add - Safe Margin		317,120	317,120	0.85%
Prior Year Levy	31,712,000	31,712,000	-	0.00%
General Fund	31,712,000	36,535,527	4,823,527	13.00%
PMP	100,000	100,000	-	0.00%
Debt Service	4,800,000	6,504,855	1,704,855	4.59%
Parks and Trails	500,000	500,000	-	0.00%
Non-EDA Levy Total	**$ 37,112,000**	**$ 43,640,382**	**6,528,382**	**17.59%**

Understanding Your Property Tax

- Property taxes do not have a set rate like income or sales taxes. With property taxes, taxing jurisdictions determine the dollar amount to raise from property taxes. This is called the "levy." The levy is divided by the total value of the property in the taxing jurisdiction, the "tax base," to arrive at a tax rate. The tax rate is multiplied by the value of each individual parcel to determine each parcel's share of property taxes.

Text and images from: https://www.co.washington.mn.us/680/Property-Tax

Draft 2024 Property Taxes - Median Valued House

Pay Year	2023 Final	2023 Taxes Using 2022 Tax Capacity Rate	Preliminary 2024 19.16% Levy Increase from 2023	CMR 2024 17.59% Levy Increase from 2023	2024 Taxes Using 2022 Tax Capacity Rate
Market Value	320,400	320,400	327,400	327,400	327,400
Market Value Exclusion	(8,400)	(8,400)	(7,800)	(7,800)	(7,800)
Taxable Market Value	312,000	312,000	319,600	319,600	319,600
Tax Capacity	3,120	3,120	3,196	3,196	3,196
Tax Capacity Rates:					
City	31.800%	35.113%	34.340%	33.842%	35.113%
EDA	0.880%	0.763%	0.759%	0.759%	0.763%
Property Taxes:					
City	$ 992	$ 1,096	$ 1,098	$ 1,082	$ 1,122
EDA	$ 27	$ 24	$ 24	$ 24	$ 24
Total	**$ 1,019**	**$ 1,120**	**$ 1,122**	**$ 1,106**	**$ 1,146**
Total City Levy	37,112,000	40,521,000	44,222,501	43,640,382	45,126,000
Total EDA Levy	1,000,000	895,000	1,000,000	1,000,000	989,000

Draft 2024 Tax Capacity Rate Calculation

Pay Year	2021 Final	2022 Final	2023 Final	2023 Levy Using 2022 Tax Capacity Rate	Preliminary 2024 19.16% Levy Increase from 2023	CMR 2024 17.59% Levy Increase from 2023	2024 Levy Using 2022 Tax Capacity Rate
A. TAXABLE VALUATIONS:							
A3. Values in the City of Blaine	94,061,383	99,163,642	115,300,642	115,300,642	129,583,077	129,583,077	129,583,077
A4. Fiscal Disparity Contribution	(9,609,668)	(11,164,299)	(11,372,946)	(11,372,946)	(10,987,567)	(10,987,567)	(10,987,567)
A5. Tax Increment Financing Districts	(829,748)	(850,388)	(1,012,407)	(1,012,407)	(1,838,920)	(1,838,920)	(1,838,920)
A6. Values after FD and TIF	83,621,967	87,148,955	102,915,289	102,915,289	116,756,590	116,756,590	116,756,590
A7. Fiscal Disparity Distribution	11,465,077	12,097,905	12,488,843	12,488,843	12,986,102	12,986,102	12,986,102
A8. Value after Fiscal Disparity Sharing	95,087,044	99,246,860	115,404,132	115,404,132	129,742,692	129,742,692	129,742,692
B. TAX DOLLARS							
B1. Fiscal Disparity Adjustment	4,109,313	4,249,994	4,385,207	4,385,207	4,129,557	4,129,557	4,129,557
B2. Blaine Taxpayer Levy	29,375,687	30,600,006	32,726,793	36,135,793	40,092,944	39,510,825	40,996,443
B3. Total Tax Levy	**33,485,000**	**34,850,000**	**37,112,000**	**40,521,000**	**44,222,501**	**43,640,382**	**45,126,000**
B4. Levy Change From Prior Year ($)	2,260,000	1,365,000	2,262,000	5,671,000	7,110,501	6,528,382	8,014,000
B5. Levy Change From Prior Year (%)	6.75%	4.08%	6.49%	16.27%	19.16%	17.59%	21.59%
C. TAX RATES							
C1. Fiscal Disparity Adjustment (B1/A7)	35.842%	35.130%	35.113%	35.113%	31.800%	31.800%	31.800%
C2. Blaine Tax Capacity Levy (B2/A6)	**35.130%**	**35.113%**	**31.800%**	**35.113%**	**34.340%**	**33.842%**	**35.113%**
C3. Blaine Tax Capacity Change from Prior Year (%)	-8.024%	-0.048%	-9.435%	0.000%	7.987%	6.421%	10.418%

Printed 11/30/2023

Preliminary Levy Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY			
PRELIMINARY LEVY ADOPTED SEPTEMBER 18 TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.18% (THE MEDIAN INCREASE) $7,110,501 or 19.16% Total CITY Levy Increase $0 or 0.00% Total EDA Levy Increase			
Pay Year	**2023**	**PRELIM LEVY - 2024**	**'23 to '24 Change**
Market Value	320,400	327,400	2.18%
Market Value Exclusion	(8,400)	(7,800)	-7.14%
Taxable Market Value	312,000	319,600	2.44%
Tax Capacity	3,120	3,196	
Tax Capacity Rates:			
City	31.800%	34.340%	7.99%
EDA	0.880%	0.759%	-13.75%
Property Taxes:			
City	992.16	1,097.51	105.35
EDA	27.46	24.26	(3.20)
Total	1,019.62	1,121.77	$ 102.15
		City	10.62%
		EDA	-11.65%
		Total	10.02%

Based on Preliminary Values provided by Anoka & Ramsey County

City Levy

- 19.16% Increase

Property Value

- 2.18% Increase

City Tax Bill

- 10.62% Increase

Printed 11/30/2023

City Manager Recommendation– Levy Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY			
CITY MANAGER RECOMMENDED BUDGET/LEVY TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.18% (THE MEDIAN INCREASE) $6,528,382 or 17.59% Total CITY Levy Increase $0 or 0.00% Total EDA Levy Increase			
Pay Year	**2023**	**CMR - 2024**	**'23 to '24 Change**
Market Value	320,400	327,400	2.18%
Market Value Exclusion	(8,400)	(7,800)	-7.14%
Taxable Market Value	312,000	319,600	2.44%
Tax Capacity	3,120	3,196	
Tax Capacity Rates:			
City	31.800%	33.842%	6.42%
EDA	0.880%	0.759%	-13.75%
Property Taxes:			
City	992.16	1,081.59	89.43
EDA	27.46	24.26	(3.20)
Total	1,019.62	1,105.85	$ 86.23
		City	9.01%
		EDA	-11.65%
		Total	8.46%

Based on Preliminary Values provided by Anoka & Ramsey County

City Levy

- 17.59% Increase

Property Value

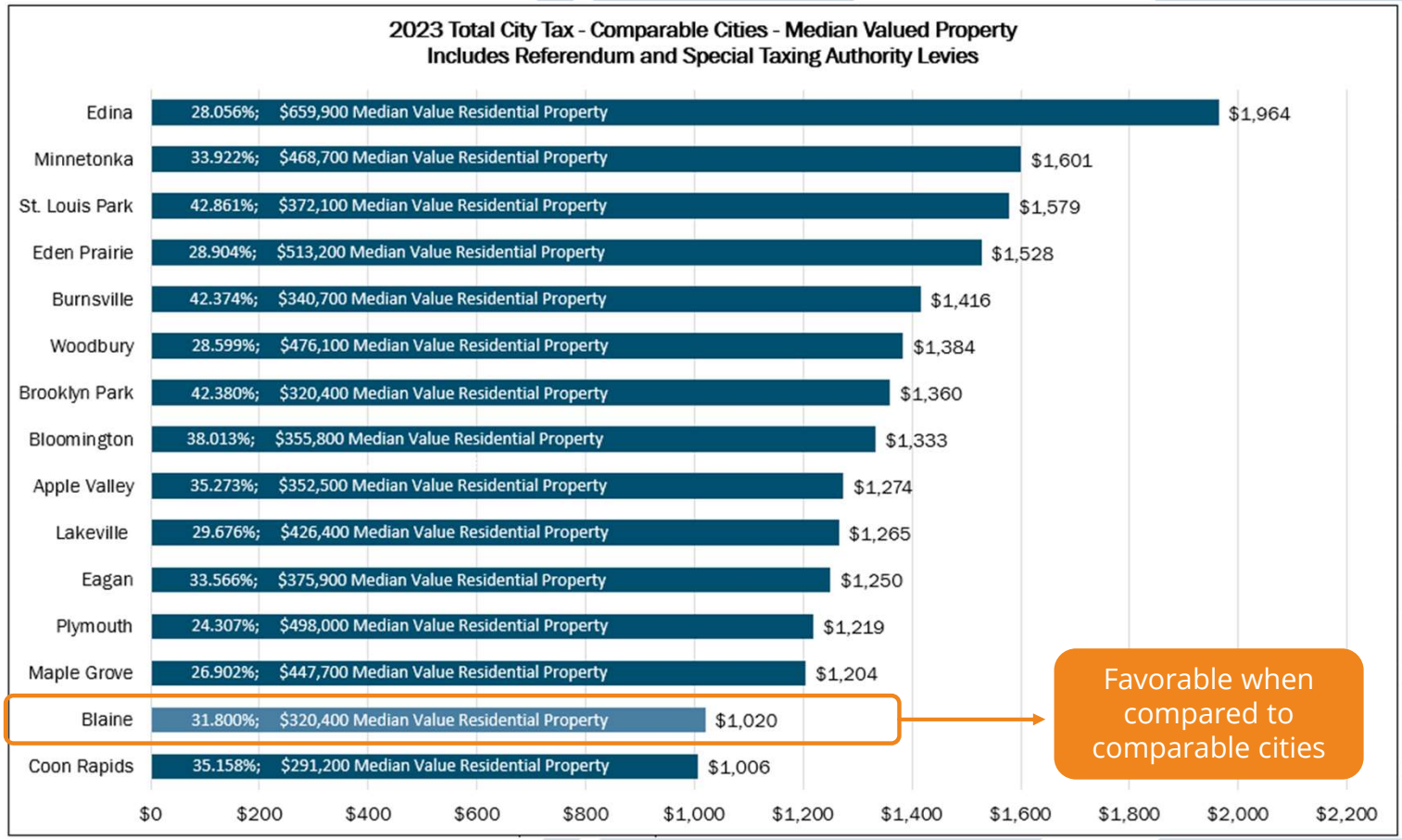
- 2.18% Increase

City Tax Bill

- 9.01% Increase

Printed 11/30/2023

Pay 2023 Taxes – Comparable Cities

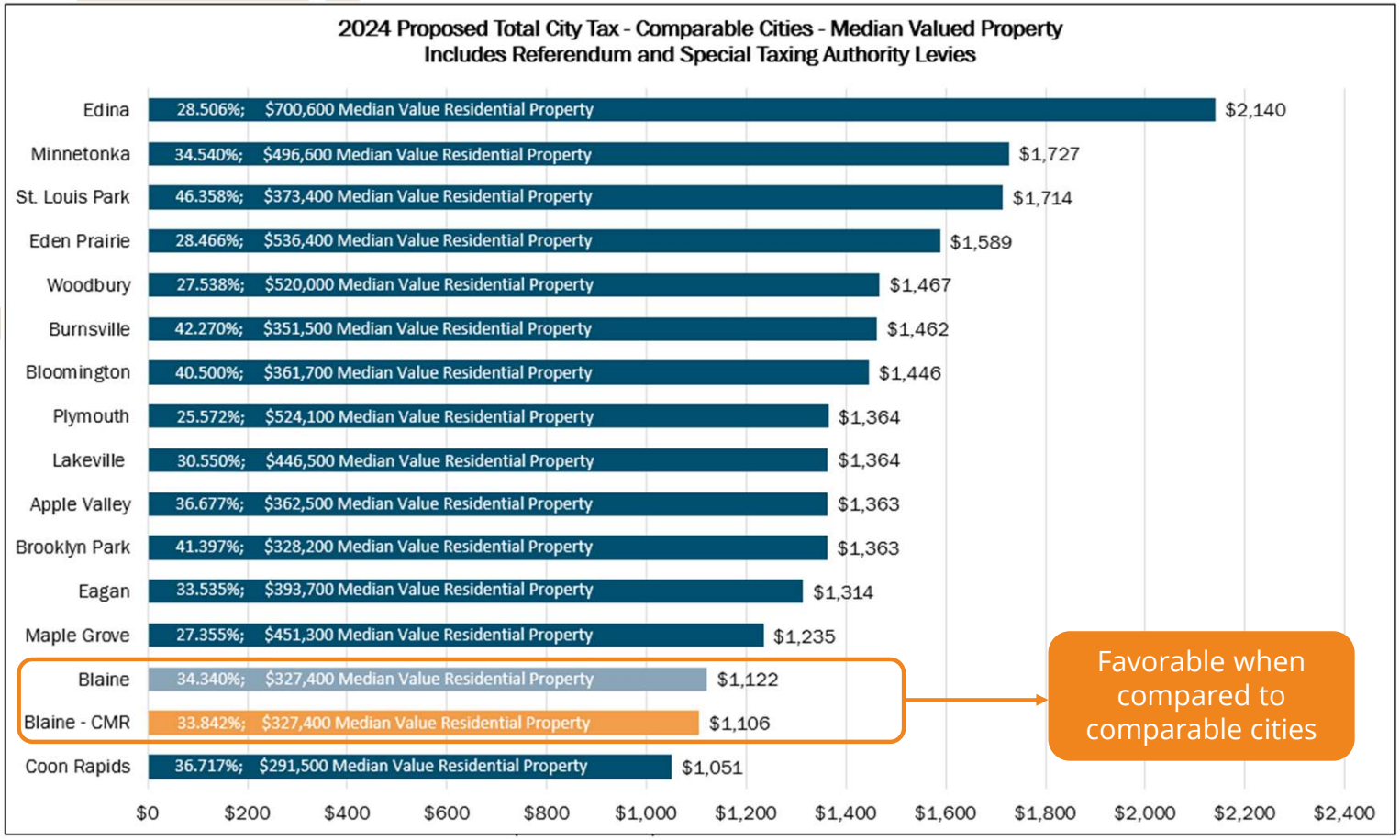


Favorable when compared to comparable cities

Printed 11/30/2023

Slide 16

Proposed Pay 2024 Taxes – Comparable Cities



Printed 11/30/2023

Alternate Revenue Sources – Comparable Cities

City	Local Option Sales Tax	Electric Franchise Fee Residential	Gas Franchise Fee Residential	Municipal Liquor Transfers
Apple Valley	-	2.00%	-	$850,000
Blaine	-	-	-	-
Bloomington	0.50%	$5.95	$5.95	-
Brooklyn Park	-	$7.00	$7.00	-
Burnsville	-	$4.00	$4.00	-
Coon Rapids	-	4.00%	4.00%	-
Eagan	-	$1.85	$1.85	-
Eden Prairie	-	$6.50	$4.00	$800,000
Edina	0.50%	$2.90	$2.90	$1,000,000
Lakeville	-	-	-	$1,295,451
Maple Grove	0.50%	-	-	-
Minnetonka	-	$4.50	$4.50	-
Plymouth	-	$2.52	$2.52	-
St. Louis Park	-	$6.75	$6.75	-
Woodbury	-	$3.25	$1.75	-

Next Steps

Section 4 of 4

Questions and Notes for Council

- Does council support the City Manager's Recommended Levy?
- Does council support funding the pilot weed control program with strategic priority funds?
- Does council support increasing liquor license fees in 2024?

Next Steps:

- December 18 - Truth in Taxation
- December 18 – Budget Adoption

City Manager's Recommended Levy - 17.59% Increase

The chart below starts at the preliminary levy and reflects the adjustments made to get to the recommended levy increase of 17.59%.

Adjustment Description	Category	Adjustment	Levy Impact	Levy Increase	Levy
Preliminary Levy	Preliminary Levy	-	N/A	19.16%	44,222,501
Safe Margin	Policy	317,120	0.85%	20.01%	44,539,621
October Adjustments	Base Budget	(19,739)	-0.05%	19.96%	44,519,882
Remove - funding for tree removals	Department Requests	(300,000)	-0.81%	19.15%	44,219,882
Alternate funding for weed control services pilot program	Department Requests	(152,000)	-0.41%	18.74%	44,067,882
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Remove - Funds for Council Initiatives	Department Requests	(60,000)	-0.16%	18.02%	43,798,882
Remove - Request for enhanced marketing	Department Requests	(18,500)	-0.05%	17.97%	43,780,382
Remove - New position #1	Department Requests	(100,000)	-0.27%	17.70%	43,680,382
Add - Funds for forestry consulting	Expense Addition	20,000	0.05%	17.75%	43,700,382
Add - Liquor license revenues	Levy Reduction	(60,000)	-0.16%	17.59%	43,640,382
TBD - Debt levy adjustment for actual required levy based on issuance	TBD	-	0.00%	**17.59%**	**43,640,382**
Total		**(582,119)**	**-1.57%**		

Itemization of 2024 City Manager's Recommended Levy Increase

Levy Components	2023 Final Levy	2024 City Manager Recommendation	2024 $ Increase from 2023	2024 % of Levy % Increase
Base Increase		2,675,185	2,675,185	7.21%
One-Time Adjustments		1,423,422	1,423,422	3.84%
Department Requests Increase		147,800	147,800	0.40%
Addition of Staff		300,000	300,000	0.81%
Add - Funds for forestry consulting		20,000	20,000	0.05%
Add - Liquor license revenues		(60,000)	(60,000)	-0.16%
Add - Safe Margin		317,120	317,120	0.85%
Prior Year Levy	31,712,000	31,712,000	-	0.00%
General Fund	31,712,000	36,535,527	4,823,527	13.00%
PMP	100,000	100,000	-	0.00%
Debt Service	4,800,000	6,504,855	1,704,855	4.59%
Parks and Trails	500,000	500,000	-	0.00%
Non-EDA Levy Total	**$ 37,112,000**	**$ 43,640,382**	**6,528,382**	**17.59%**

Scenarios Presented at November 20 Council Workshop

Adjustment Description	Category	Adjustment	Levy Impact	Levy Increase	Scenario	Levy
Preliminary Levy	Preliminary Levy	-	N/A	19.16%	Scenario 1	44,222,501
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Alternate debt funding; closed debt funds to reduce levy	Debt Levy	(500,000)	-1.35%	15.33%	Scenario 4	42,800,382
				15.33%		
Total		**(1,422,119)**	**-3.83%**			

S&P Global
Ratings

RatingsDirect®

Summary:

Blaine, Minnesota; General Obligation

Primary Credit Analyst:
Emma Drilias, Madison (1) 312-233-7132; emma.drilias@spglobal.com

Secondary Contact:
Ying Huang, San Francisco + 1 (415) 371 5008; ying.huang@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Related Research

Summary:

Blaine, Minnesota; General Obligation

Credit Profile		
US$24.665 mil GO imp, util and equip bnds ser 2023A due 02/01/2044		
Long Term Rating	AAA/Stable	New
Blaine GO		
Long Term Rating	AAA/Stable	Affirmed
Blaine GO		
Long Term Rating	AAA/Stable	Affirmed
Blaine GO		
Long Term Rating	AAA/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AAA' rating to Blaine, Minn.'s anticipated $24.7 million series 2023A general obligation (GO) improvement, utility, and equipment bonds.
- S&P Global Ratings also affirmed its 'AAA' rating on the city's existing GO debt.
- The outlook is stable.

Security

The city's full-faith-and-credit pledge and ability to levy unlimited ad valorem property taxes secure the bonds. The city also pledges special assessment revenue from benefited properties and net revenue from the city's water, sewer, and stormwater utility funds for the repayment of a portion of series 2023A bonds. Much of Blaine's GO debt outstanding is also secured by additional revenue pledges, including special assessments and utility revenues, but we rate all debt based on the city's GO pledge.

Series 2023A bond proceeds will finance equipment purchases, various street improvements, and water, sewer, and stormwater utility projects.

Credit overview

Blaine's location less than 20 miles north of Minneapolis, paired with its large quantity of remaining developable land, has contributed to its steady development trend and value growth over the last three years. Although we assess the city's overall economy as very strong, Blaine's income levels are below the median of similarly rated peers. Moreover, we expect the city's direct debt levels could increase substantially over the next two years, stemming from ongoing capital needs due to normal infrastructure deterioration and tentative improvements to an existing multisport complex. Nevertheless, we expect Blaine will maintain balanced operations while absorbing much of this additional debt, given a significant amount of this debt is expected to be self-supported by utility and other nonlevy revenues.

Blaine's very strong management has supported a record of running a balanced operating budget, as reflected in its

consecutive budget surpluses and very strong reserves over the last three audited years. The city annually transfers excess general fund surplus to capital project funds (which we have adjusted for in our analysis), and is developing a plan to prefund capital equipment starting in 2024, which should reduce the size of future debt issuance for equipment purchases. Slightly pressuring the city's recent financial profile are unexpected increases in workers' compensation claims, resulting in higher premiums and a deficit in the worker's compensation fund balance, which was remedied by an advance to the workers' compensation fund from the general fund. (Our analysis reflects adjustment of the city's fiscal 2022 general fund reserves to account for the $1.8 million receivable.) Management indicates this receivable will be eliminated in 2024 following approved increases to internal service rates and with a one-time general fund transfer to the workers' compensation fund. Fiscal 2023 projections indicate an approximately $1.2 million general fund surplus, driven by savings from position vacancies and other budgeted expenditures. The preliminary 2024 budget is balanced, supporting our view that the city's typical predictable, stable operations will likely continue.

The rating reflects our opinion of the city's:

- Very strong management, with strong financial management policies and practices under our Financial Management Assessment (FMA) methodology, highlighted by robust long-term planning for capital projects and operations, and comprehensive policies that include a formal reserve policy requiring at least 30% in the unassigned balance, paired with a strong institutional framework score;
- Strong budgetary performance, with surplus operating surpluses over the last three years, supporting consistently very strong reserves and overall liquidity;
- Very strong economy, despite recent changes to the city's former leading taxpayer, Northtown Mall, which filed bankruptcy in 2021--the mall's assessed value decreased in the last year, but the impact on the city's overall tax base is minor, given the mall makes up less than 1% of the city's total net tax capacity, and the mall is now under new ownership; and
- Weak debt and contingent liability profile, compared with previous strong levels, due to slightly slowed debt amortization with the addition of Blaine's tentative future debt plans, which could nearly double total direct debt (currently $104 million) over the next two years. In addition, Blaine's pension plan contributions fell below our minimum funding progress metric in fiscal 2022, with current fixed-rate contribution practices that are not expected to materially reduce unfunded liabilities in the near term. (For more information, see "Pension Spotlight: Minnesota," published Aug. 10, 2023.)

Environmental, social, and governance

We view Blaine's environmental, social, and governance (ESG) factors as neutral in our credit analysis. We also note the city has implemented policies and practices to help mitigate its exposure to cyber security risks.

Outlook

The stable outlook reflects our expectation that Blaine's continued economic growth, paired with its strong management policies and practices, will support balanced operations and a strong overall financial profile while absorbing potentially substantial increases to its total debt levels over the next two years.

Downside scenario

We could lower the rating if future debt issuance causes Blaine's liabilities to increase disproportionately to the city's budget or economy, leading to an overall debt and contingent liability profile that is no longer commensurate with the current rating. A lower rating is also possible if budgetary imbalance emerges, leading to sustained declines in available reserves.

Rating above the sovereign

Blaine's GO debt is eligible to be rated above the sovereign because we think the city can maintain better credit characteristics than the nation in a stress scenario. Under our criteria, titled "Ratings Above The Sovereign: Corporate And Government Ratings--Methodology And Assumptions," published Nov. 19, 2013, U.S. local governments are considered moderately sensitive to national risk. Blaine's locally derived revenue secures the bonds, severely limiting the possibility of negative sovereign intervention in debt repayment or operations. The institutional framework in the U.S. is predictable for local governments, allowing them significant autonomy, independent treasury management, and no history of government intervention. The city's very strong budgetary flexibility and liquidity is another supporting feature, in our opinion.

Blaine--Key credit metrics

	Most recent	Historical information		
		2022	2021	2020
Very strong economy				
Projected per capita EBI % of U.S.	114			
Market value per capita ($)	163,801			
Population		68,438	67,339	66,805
County unemployment rate (%)		2.6		
Market value ($000)	11,210,226	9,700,248	8,711,317	8,231,688
Ten largest taxpayers % of taxable value	6.1			
Strong budgetary performance				
Operating fund result % of expenditures		7.6	15.3	21.1
Total governmental fund result % of expenditures		0.0	6.0	-0.5
Very strong budgetary flexibility				
Available reserves % of operating expenditures		40.1	47.6	55.4
Total available reserves ($000)		14,793	15,963	17,481
Very strong liquidity				
Total government cash % of governmental fund expenditures		190	188	159
Total government cash % of governmental fund debt service		1,826	1,951	1,768
Very strong management				
Financial Management Assessment	Strong			
Weak debt & long-term liabilities				
Debt service % of governmental fund expenditures		10.4	9.7	9.0
Net direct debt % of governmental fund revenue	144			
Overall net debt % of market value	2.0			

Blaine--Key credit metrics (cont.)				
	Most recent	**Historical information**		
		2022	**2021**	**2020**
Direct debt 10-year amortization (%)	65			
Required pension contribution % of governmental fund expenditures		4.5		
OPEB actual contribution % of governmental fund expenditures		0.0		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits.
Data points and ratios may reflect analytical adjustments.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of November 22, 2023)		
Blaine GO		
Long Term Rating	AAA/Stable	Affirmed
Underlying Rating for Credit Program	NR	
Blaine GO imp and street reconstruction bnds		
Long Term Rating	AAA/Stable	Affirmed
Blaine GO wtr rev rfdg bnds		
Long Term Rating	AAA/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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City of Blaine
Staff Report

File Number: 2023-607

Agenda Date	Status
December 4, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Jenna Trittin, Finance Analyst

Agenda Item # 2.4

2024 Charitable Gambling Budget

Background

The 2024 Charitable Gambling Fund budget was presented to the council at the September 25 workshop. At the workshop, the council directed staff to:

- Base allowable annual allocations of charitable gambling proceeds on the amount received in the last full fiscal year ($215,265 for 2024)
- Create and distribute a form for requesting organizations to submit
- Create and distribute a councilmember scoring sheet to allocate funding
- Average the scoring sheet amounts from all councilmembers
- Require that for an organization to receive funding, at least 3 councilmembers must allocate funding on their scoring sheets

In October, staff developed and distributed a form to organizations who received or requested funding in the last year. The City Council received 21 applications for charitable gambling funds with $331,500 in requests. The budgeted amount to award is $215,265.

Councilmembers were provided with the submitted forms, supplemental information, historical funding, and a scoring sheet in early November. Councilmembers returned the completed scoring sheets to staff by November 13.

At the November 20 council workshop, staff presented the returned scoring allocations and asked for council feedback. Council requested to see equalized allocation amounts for similar organizations (e.g. food shelves, schools, etc.). Staff was directed to incorporate the feedback, send an updated document for council review, and bring the item back for the December 4 workshop. Two additional scenarios that were adjusted based on council feedback are attached for consideration. Council may choose one of the scenarios presented or make modifications. A charitable gambling fund contribution guide from the Minnesota Gambling Control Board is also attached for reference.

Staff has received inquiries about the timeline of the award determination process. Once council has provided guidance on recommended allocations, staff can respond to organizations regarding the estimated award.

The council recommended funding for each organization will be incorporated in the 2024 Charitable Gambling

Fund budget and presented for council adoption on December 18.

The fund background is included below for reference.

Fund Background
The City's Charitable Gambling Fund was established in 1993 to account for the proceeds of a ten percent (10%) contribution that charitable gambling organizations operating within Blaine are required to submit to the city (Code Section 22-384). Organizations participating in charitable gambling as of 2022 are:

- Blaine Festival Committee
- Blaine Youth Hockey
- Centennial HS Football Boosters
- Spring Lake Park Lions Club
- Spring Lake Park #16 Youth Hockey
- VFW - Sgt. John Rice

Historically, council has allocated funds to organizations using previously requested amounts and consideration of new applicants. After reviewing how other cities manage their charitable gambling program, staff recommended council adopt a policy to guide how funds are allocated and that staff develop an application to standardize the request process for the 2024 award process.

Expenditures
Expenditures from this fund are at the city council's discretion, provided that they fall within the guidelines established by Minnesota Statute 349.12 subdivision 25. Specifically allowable contributions include donations to:

- 501(c)(3) organizations; and 501(c)(4) festival organizations
- Relieve the effects of poverty, homelessness, or physical or mental disabilities
- Treatment of post-traumatic-stress syndrome or compulsive gambling
- Public or private accredited nonprofit educational institution
- Scholarship funds
- Recognition of humanitarian or military service
- Activities and facilities that benefit youth under the age of 21
- Support police, fire, or other public safety-related services, equipment, and training
- Wildlife management projects
- Maintenance of snowmobile and/or ATV trails
- Support nutritional and congregate dining programs, and food shelves
- Community arts programs

Annually, an expenditure report is submitted to the State of Minnesota, disclosing the recipients of funds along with the amount and purpose.

Staff Recommendation

Staff requests council guidance on the recommended awards to bring forward for the December 18 budget adoption.

Staff recommends that beginning with 2025 applications, recurring recipients must submit documentation showing how the funds were used and benefited Blaine residents.

Questions for Council

What does council recommend for 2024 charitable gambling fund awards?

- Scenario 1
- Scenario 2
- Either scenario with modifications
- Other

Does council support requesting documentation of how the prior year funds were used to support Blaine residents beginning with 2025 requests?

Attachment List

1. 2024 Charitable Gambling Alternate Scenarios
2. MN Gambling Control Board - Charitable Gambling Contribution Guide for Cities

2024 Charitable Gambling Funds Score Sheet

	Organization	2024 Amount Requested	Average Award**	# Councilmembers allocating funding	Scenario 1 - Previous Awards and Consistency	Scenario 2 - Focused on Shelters & Food Shelves
Prior Year Requests	Alexandra House	$ 75,000	$ 58,570	7	$ 70,000	$ 75,000
	Beyond the Yellow Ribbon	2,500	2,140	6	2,500	2,500
	Blaine High School Senior All Night Party	5,000	1,000	5	500	-
	Centennial Community food shelf	3,000	2,360	6	3,000	3,000
	Centennial High School Senior Party	1,000	640	5	500	-
	Civil Air Patrol	7,500	3,390	5	5,000	-
	Family Promise in Anoka County	12,000	8,860	6	12,000	12,000
	Hope 4 Youth	15,000	10,210	6	12,000	12,000
	Hope for the Community food shelf	20,000	13,610	6	12,000	12,000
	Minnesota 100 Club	5,000	2,500	5	5,000	5,000
	Salvation Army food shelf	10,000	8,430	5	12,000	12,000
	SBM Fire - Annual fireworks show	40,000	34,290	6	40,000	40,000
	Spring Lake Park High School Senior Party*	-	640	5	500	-
	Stepping Stone	12,000	7,140	5	12,000	12,000
	Way of the Lord food shelf	12,000	10,860	6	12,000	12,000
New Requests	Blaine High School Robotics	6,000	2,070	6	500	-
	Crime Stoppers of Minnesota	1,000	360	3	-	-
	Impact Services Meals on Wheels & More	10,000	5,710	5	3,000	3,000
	Jam Hope Foundation	15,000	4,790	4	5,000	-
	Ronnie's Fight for CDH	500	210	3	-	-
	Spring Lake Park Band Boosters	4,000	1,500	6	500	-
	Veterans Memorial Park of Blaine	75,000	21,180	3	-	-
	Total	**$ 331,500**	**$ 200,460**		**$ 208,000**	**$ 200,500**
	Remaining to allocate		**$ 14,805**		**$ 7,265**	**$ 14,765**

$215,265 is available to allocate among the organizations.

* No form returned; leaving Council the option to allocate funding as organization(s) were funded in the past

** The average award is the average of the councilmember allocations rounded to the nearest $10 (nonweighted)
Organizations must receive allocations from at least 3 councilmembers to be considered for funding.

Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113
651-539-1900
www.mn.gov/gcb

Guide for Cities

How Cities May Spend 10% Lawful Gambling Contributions Required from Charities

Minnesota Statutes, section 349.213, subdivision 1, paragraph (f)(2), allows a local unit of government to require, by ordinance, a licensed organization to contribute up to 10% of the organization's net profits derived from lawful gambling to a fund administered by the local unit of government. Net profits are gross profits less sums actually expended for allowable expenses and amounts paid in taxes assessed on lawful gambling.

The funds must be disbursed by the city for charitable contributions as defined by section 349.12, subdivision 7a:

- A city may donate 10% lawful gambling funds:
  - √ For activities and facilities for youth under age 21.
  - √ To a 501(c)(3) organization provided that the city does not retain control of these funds.
  - √ To a scholarship fund.
  - √ To relieve the effects of poverty, homelessness, or disability (for example, a homeless shelter).
  - √ To a program for the education, prevention, or treatment of problem gambling.
  - √ For recognition of military service (free and open to the public) or support for active military personnel and their immediate family members in need.
  - √ To a church.
  - √ With Minnesota Pollution Control Agency (PCA) approval, for citizen monitoring of surface water quality by individuals (requires submitting data to the PCA).
  - √ With Minnesota Department of Natural Resources (DNR) approval, for wildlife management projects or activities that benefit the public-at-large; grooming or maintaining snowmobile or ATV trails, or other trails open to public use; supplies and materials for DNR-coordinated safety training and education programs.
  - √ For nutritional programs, food shelves, and congregate dining programs primarily for persons age 62 or older or disabled.
  - √ For community arts organizations, or sponsorship of community arts programs that are free and open to the public.
  - √ For humanitarian service, recognizing volunteerism or philanthropy.

Cities that collect funds from charitable gambling proceeds must spend the money the same way as charities do—for defined charitable purposes.

- A city may not transfer 10% lawful gambling funds to other city accounts (for example, its own parks and recreation department, or police or fire department). A city may, however, purchase equipment and pay for services to train police, fire, or other public safety-related services, and payment must be written directly to the vendor. Examples include purchasing a police car, a fire truck, playground equipment, and training courses for police and firefighters.

- If a city contracts out for law enforcement services or other emergency services, it may spend 10% lawful gambling funds for those services (excluding pension obligations). The check must be written directly to the outside entity providing those law enforcement services.

- While a city may not donate 10% lawful gambling funds to its city parks and recreation department, it may donate 10% funds for playground equipment within a city park (allowed under activities and facilities for youth under age 21), or for construction or maintenance of a veterans memorial within a city park (recognition of military service). The checks must be written directly to the vendor. (Also, playground equipment and veterans memorials need not be located in a city park.)

The city must submit form LG510 City or County Annual Report, 10% Lawful Gambling Contribution Fund, to the Minnesota Gambling Control Board by March 15 of each year describing the amount collected, details for disbursement, and any balance. The LG510 is available at *www.mn.gov/gcb*.

The Board will continue to monitor the receipt, proper disbursement, and fund balances. If you have any questions about what is or is not allowed, please call the Minnesota Gambling Control Board at 651-539-1951.

10/18

City of Blaine
Staff Report

File Number: 2023-608

Agenda Date	Status
December 4, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Cathy Sorensen, City Clerk

Agenda Item # 2.5

Proposed Charter Amendment - Council Salaries

Background

Following council discussion at the November 6 workshop, the charter commission met to review council's request to make a specific salary recommendation as opposed to a salary range. After discussion, the commission agreed to remove the recommendation of an "up to" salary range amounts and recommended the following salary increases effective 2025:

- Mayor - $18,315.03/yr - currently $14,313.60/yr
- Councilmembers - $13,461.54/yr - currently $10,500/yr

The commission wanted to echo their belief that their role was to recommend charter language that provided for regular salary review going forward based on established criteria, but that decisions regarding specific salaries should be made by council. As a reminder, the proposed charter amendment language is outlined below:

> Sec. 2.07. Salaries.
> The monthly salary of each of the councilmembers and the mayor shall be established by ordinance. Review of salaries shall be conducted in June of every odd numbered year and recommendations for adjustments, if any, be based on the annual cost of living adjustments consistent with adjustments provided to city staff. ~~The mayor and councilmembers, in addition to the above salaries, shall be paid a reasonable sum for each day and their reasonable expenses incurred while traveling outside the city on the city's business.~~

Staff will schedule a public hearing regarding the proposed charter amendment as well as a proposed ordinance amending salaries for council consideration.

Staff Recommendation

Staff requests council input regarding the proposed charter amendment and recommendations regarding mayor and council salaries.

Questions for Council

Request council input regarding the charter commission's proposed amendment regarding council salaries.

Attachment List

1. 8-8-23 Charter Commission Council Salaries Proposal
2. Council Salary Comparisons 2023
3. 11-6-23 Council Workshop Minutes
4. 11-14-23 Charter Commission Minutes
5. PowerPoint

City of Blaine Charter Commission

Mayor and City Council Salary Proposal – August 8, 2023

Survey City (15)	Population (Met. Council Est. 07/2023)
Blaine	71,891
Bloomington	91,330
Brooklyn Park	84,993
Burnsville	64,522
Coon Rapids	63,415
Eagan	68,889
Eden Prairie	64,023
Edina	54,048
Hopkins	18,608
Lakeville	73,828
Maple Grove	71,230
Minnetonka	54,474
Plymouth	80,762
St. Louis Park	49,786
Woodbury	77,224

Average Salary (City Clerk Survey 07/2023)

Mayors:	Annual - $18,185	Monthly - $1,515.40	Blaine current - $14,314	$1,192.80
Council:	Annual - $13,121	Monthly - $1,093.13	Blaine current - $10,500	$ 875.00

Consumer Price Index (CPI), 12 Mo. Percent Change (U.S. Bureau of Labor Statistics, All Items)

June 2015	0.1%	June 2020	0.6%
June 2016	1.0 %	June 2021	5.4%
June 2017	1.6%	June 2022	9.1%
June 2018	2.9%	June 2023	3.0%
June 2019	1.6%		

Proposed Salary Change for Mayor and Council – Effective January 1, 2025

Average Salary from 15 City Survey Attached, July 2023

Mayors:	Annual - $18,185	Monthly - $1,515.40	Blaine current - $14,314	$1,192.80
Council:	Annual - $13,121	Monthly - $1,093.13	Blaine current - $10,500	$ 875.00

Option 1 - Proposed Survey Avg. Salary; Eff. January 1, 2025; Next election in November 2024

Mayor:	Annual - $18,185	Monthly - $1,515.40
Council:	Annual - $13,121	Monthly - $1,093.13

Option 2 - Current 2015 Salary increased by CPI factor - Last increase effective January 1, 2015

Option 2 Proposed Salary Effective January 1, 2025 after next election in November 2024

		Annual	Monthly
Mayor:	CPI	$18,315.03	$1,526.25
	5 percent	$19,230.78	$1,602.57
	8 Percent	$19,780.23	$1,648.35
	10 percent	$20,146.53	$1,678.88
Council:	CPI	$13,461.54	$1,121.80
	5 percent	$14,189.19	$1,182.43
	8 percent	$14,538.46	$1,211.54
	10 percent	$14,788.13	$1,232.34

Recommendation: I recommend the Charter Commission recommend the City Council adopt an ordinance amendment to revise the Mayor and Council salaries, effective January 1, 2025, at the Option 2 level with the 2023 survey average salaries increased by 8 percent per the above table. Some rationale for this recommended increase includes:

1. Local government administration and representation has become increasingly complex,

2. Salaries have not been increased for 8 years since January 2015, and will likely not be increased for several more years,
3. The City of Blaine citizens and our elected representatives are not average,
4. The salary increase will not be effective for 16 months, if approved, and the economy continues to experience inflationary pressures and increases in the cost of living,
5. Blaine has experienced much growth since 2015 and will continue to grow the residential, commercial, and industrial sectors of the community,
6. Blaine is unique in many ways with events such as PGA Golf and the National Sports Center creating unique infrastructure, operational, and community and public relations issues, and
7. The Mayor and Councilmembers will be challenged with much future work, meetings, and intergovernmental coordination for the Highway 65 improvement project and many development and redevelopment projects.

Therefore, based upon this brief analysis, I recommend the Mayor's salary be $19,780.23 per annum and $1,645.38 per month. The Councilmember's salary is proposed to be $14,538.46 per annum and $1,211.54 per month. The effective date will be January 1, 2025. These increases reflect cost-of-living changes since 2015 and an additional eight percent to account for future challenges and the 16 months before any changes will be effective. Furthermore, I recommend the Charter Commission recommend the City Council review and approve the ordinance adopting these increases prior to December 1, 2023.

Respectfully submitted,

Kenneth R. Anderson, Charter Commission Member

Attachment: City survey information of July 2023

Information Collected July 2023.

City	General Fund Budget	Population Based on 2022 Met Council estimates	# of FT Employees	Mayor Annual Salary	Councilmember Annual Salary
Blaine	$41,583,610	71,891	233	$ 14,314	$ 10,500
Bloomington	$94,161,711	91,330	618	$ 26,400	$ 12,396
Brooklyn Park	$64,991,186	84,993		$ 21,355	$ 12,212
Burnsville	$37,500,000	64,522	307	$ 15,600	$ 12,000
Coon Rapids	$94,617,507	63,415		$ 14,000	$ 10,500
Eagan	$48,321,800	68,889	295	$ 13,624	$ 10,004
Eden Prairie	$57,395,407	54,442	250	$ 17,245	$ 13,351
Edina	$43,831,665	54,048	335	$ 15,965	$ 12,700
Hopkins	$18,766,224	18,608	105	$ 15,000	$ 12,500
Lakeville	$26,804,100	73,828	227	$ 15,000	$ 10,000
Maple Grove	$45,642,500	71,230		$ 15,500	$ 13,500
Minnetonka*	$46,944,000	54,474	271	$ 15,000	$ 11,000
* increasing in 2024	--	--		$ 23,500	$ 18,000
Plymouth	$37,922,777	80,762	315	$ 17,413	$ 12,615
St. Louis Park	$63,152,372	49,786		$ 16,176	$ 13,533
Woodbury	$47,572,600	77,224	276	$ 16,680	$ 12,006

Mechanism for Salary Increase:

Anoka (see attached) – the council receives salary increases based on cost of living adjustments provided to staff

Hopkins (see attached ordinance) – the council receives the cumulative adjustment of non-union employees for the prior two years in increase percentage

Woodbury (see attached policy) – the council receives odd-year biennial increases equal to the current and previous year cost-of-living adjustments approved for city staff in the

Edina –councilmember salaries increase every two years based on the CPI increase provided by Minnesota Management and Budget

Plymouth – The adjustment shall be in a percentage equal to the change in the United States Department of Labor Consumer Price Index (November report) for all urban consum

Eden Prairie - Numbers include community center staff and budget

year that adjustment is made

ners U.S. city average over the 24 months preceding the municipal regular election

Mayor Sanders supported this recommendation.

Ms. Wolfe reported the operations committee is comprised of city managers and city administrators from the member cities. She explained this group has discussed needing to have an interim director in preparation for Ms. Arnson's retirement in January.

Councilmember Newland thanked Executive Director Heidi Arnson for her tremendous service to the community and wished her all the best in her retirement.

Council consensus was to explore the possibility of merging NMTV with a larger cable commission such as CCX.

2.2. 2023-498 Proposed Charter Commission Amendment - Council Salaries
Sponsors: Cathy Sorensen, City Clerk

City Clerk Sorensen stated city charter states the monthly salary of councilmembers and mayor is to be established by ordinance. Council charged the charter commission to annually review council salary surveys from comparable/surrounding cities and make recommendations on possible salary adjustments. Any recommended adjustments would be presented to council and, if supported, an ordinance amendment presented for formal consideration. Per statute, no change in salary can take effect until after the next municipal election. The last increase to council salaries occurred in 2015. It was noted the commission reviewed salary information from comparable cities and Commissioner Anderson compiled a summary of the data that included average salaries, consumer price index, and proposed options for increases. After review and discussion, the commission supported a salary increase based on many factors that included an increased complexity of local government and development in the city, as well as other factors including the lack of increases over the past eight years. Discussion was held on the city's increased population, council-city manager form of government, and roles of mayors in comparative cities.

Ms. Sorensen reported the commission discussed difficulties when comparing Blaine to others due to differing factors across cities, such as the number of employees and enterprise funds, service levels, and the existence of public amenities such as community centers. The commission acknowledged the many complex projects and developments currently occurring in Blaine such as TH65, the Northtown master plan, and the 105th Avenue redevelopment area, and that any increase ultimately recommended should include escalators as increases take effect the following year. They agreed the consumer price index (CPI) could be a good measure for any current increase and have provided an “up to” salary range recommendation that averaged to an increase of a little more than 1% per year since 2015, then suggested using the annual cost of living increase (COLA) provided to employees going forward to provide consistency and recommended new language be added to ensure regular salary reviews occur. After discussion, on a 6-1 vote the commission recommended the following:

- increase the annual salary for the mayor in an amount up to $18,315.03 ($1,526.25/mo)
- increase the annual salary for councilmembers in an amount up to $13,461.54 ($1,121.80/mo)

- add language to Sec. 2.07 Salaries of the city charter that salary review be conducted in June of every odd numbered year and recommendations for adjustments, if any, be based on the annual cost of living adjustments consistent with adjustments provided to staff.

Ms. Sorensen explained staff and the commission is seeking input from the council regarding both salary changes and the proposed amendments. Once direction is received from council, a public hearing will be scheduled regarding the proposed charter amendment and an ordinance amending salaries will be presented for formal consideration.

Councilmember Saroya questioned what the opposition was from one Charter Commissioner regarding this matter. Ms. Sorensen stated the opposition had to do with the proposed mechanism for measure and not the proposed charter amendment language.

Councilmember Newland thanked staff and the charter commission for their efforts on this matter. He commented on how each city councilmember serves not for the money but to serve the public and supported the proposed recommendations.

Councilmember Robertson indicated this topic came up several years ago and agreed that no one does this job for the money. She commented further on how she felt uncomfortable discussing this topic noting it was difficult for her to consider giving herself a raise.

Councilmember Fleming agreed but recognized that the council had to take this action for this council and all future councils. She discussed how all city employees received COLA increases and believed it was only fair for the council to receive the same consideration.

Councilmember Saroya agreed but stated she also had concerns with the timing and optics of a pay increase. She questioned where the money would come from to cover the additional expense and inquired why the pay increase was being brought up this year. Ms. Sorensen indicated the council requested the charter commission review council salaries and provide a recommendation for the council and explained how the commission responded with a salary range for consideration as well as putting a mechanism in place for regular review based on COLA going forward. She explained the council did not have to approve any proposed increase as that would be done through a separate ordinance . She stated if approved as recommended the increase for both mayor and council totaled approximately $24,000/year and would not begin until January of 2025 and that there would be sufficient funding budgeted from the general fund for any possible increase.

Councilmember Newland indicated the timing for a pay increase would never be correct or easy for the council to consider. He stated if the council did not act now to try and catch up, the increase would be even higher in the future. He explained he supported the proposed increases as recommended by the charter commission.

Councilmember Massoglia stated he believed the council should be paid $36,000 a year and the mayor should be paid $58,000 a year and share surprise how small the salary was for how much time each councilmember spent serving the community. He explained he supported the council pay increase.

Councilmember Robertson indicated there was a ten-year gap between the last time the

council received a pay increase and when the proposed increase would go into effect. She asked how many votes a charter commission amendment would need in order to pass. Ms. Sorensen reported the amendment required a unanimous vote of the council in order to move forward but the actual salary increase would be a majority vote of the council.

Councilmember Fleming questioned why the charter commission didn't set the pay increase but instead provided a range. Ms. Sorensen explained the charter commission did not feel comfortable setting an actual salary as they understood how uncomfortable this process can be so instead proposed a range for the council to consider.

Councilmember Fleming supported the council having a COLA mechanism in place going forward for council pay and requested the charter commission set the actual pay for the council.

Commissioner Robertson requested staff go back to the charter commission and ask that they set the pay increase so this decision does not have to be made by the city council.

Council generally supported the charter language amendment but wanted more direction from the charter commission on the actual proposed salary amounts. Council requested the topic be presented again after the charter commission met to discuss this matter.

2.3. 2023-500 Proposed Charter Commission Amendment - Redetermination of Ward Boundaries
Sponsors: Cathy Sorensen, City Clerk

Ms. Sorensen stated as part of the redistricting process in early 2022, council shared general support of the charter commission's recommendation to draft potential amendments that would allow the ability to consider possible ward boundaries and restructuring in the future as the city reaches full development. The commission's reasons for creating this ability was based on the potential benefits of more neighborhood-based wards. Staff presented proposed redistricting plans to council and the charter commission at workshops on February 14 and March 7, 2022, with first reading on March 7 and second reading and adoption on March 21, 2022. Factors used to determine the adopted ward boundaries and precincts included:

- 2020 census population
- projected population growth
- registered voters and estimated voters
- wards that were bounded by precinct lines, compact in area, and composed of contiguous territory
- wards that were as equal in population as practicable within the required 5% population threshold
- polling place management

Ms. Sorensen reported at the meetings there was discussion that should future councils/charter commissions ever wish to consider the possibility of more neighborhood-based wards there was no mechanism included in charter to allow for that

DRAFT

City of Blaine
Anoka County, Minnesota
Minutes of the Meeting
Blaine Charter Commission

Tuesday, November 14, 2023

6:00 PM
Community Room
10801 Town Square Drive NE

1. Call To Order

The meeting was called to order at 6:00 PM.

2. Roll Call

Present: Chair Jeffrey Lester, Commissioners Ken Anderson, Alan Goracke, Jason Halpern, Terri Homan, Ayman Khan, Arman Tagarro

Absent: Commissioners Jason Hartmann, Dick Swanson, Nyle Zikmund

Also Present: City Clerk/Staff Liaison Cathy Sorensen

Quorum present.

3. Approval Of Minutes – October 10, 2023

Moved by Commissioner Homan, seconded by Commissioner Goracke, that the minutes of October 10, 2023, be approved as presented.

Motion approved unanimously.

4. Open Forum

No one appeared.

5. New Business

None.

6. Old Business

6.1 Council Salary Review/Recommendation Process

City Clerk/Staff Liaison Cathy Sorensen shared minutes from the council workshop regarding the council salary review/recommendation process and council's general support of the amendment for regular salary review but requested the charter commission propose a specific salary recommendation instead of a range as proposed.

Commissioner Goracke stated a specific recommendation would place the commission in a position of power and felt that should be up to council as they were elected by the people and the commission was providing more of a guardrail. He said he felt the recommended range of an amount up to a limit was responsible and allowed the elected officials something to accept or change, adding the charter commission was not an elected body but appointed. He said he felt good about the commission's work and that it was not appropriate to recommend an actual amount.

Chair Lester said he believed the decision should be made by council and that the recommendation was based on data analysis. He said he would support making a specific dollar recommendation if necessary of $18,315.03 for mayor and $13,461.54 for council but firmly believed it was ultimately for council to decide.

Commissioner Homan stated the commission made their decision based on data but did not have access to other information the council has such as budget impacts and supported the up to amount range recommendation.

The commission discussed recommending a not to exceed amount instead of an up to amount as a way to address council's concerns.

Commissioner Halpern supported making a specific salary recommendation for 2025 and using data based on COLA going forward.

Commissioner Arman suggested removing consideration of Bloomington and Hopkins from the data set and recommending salaries of $17,000 and $12,000 respectively.

Commissioner Anderson said he wanted the recommendation to be analytical and apolitical.

Moved by Commissioner Goracke, seconded by Commissioner Anderson, to remove reference of an "up to" amount and recommend a salary increase of $18,315.03 for mayor and $13,461.54 for council effective 2025 but to reiterate their original recommendation going forward that specific salary decisions should be made by city council and not the charter commission.

Motion approved unanimously.

6.2 Redetermination of Ward Boundaries

Ms. Sorensen shared minutes from the council workshop regarding discussion of possible redetermination of ward boundaries and the council's recommendation to reconsider the topic in 2027 as part of the next comprehensive plan update.

Commissioner Goracke said it could be too late if we wait until 2027 as the proposed amendment provided structure possibilities and was proactive instead of reactive and having the mechanism available could benefit the people of Blaine.

Commissioner Halpern noted with current term limits for Planning Commission there could be whole new commission in place by 2027.

Commissioner Anderson asked for reasons why the comprehensive plan was an important benchmark for ward redetermination and felt this was more election orientated and could be used as a reason to postpone consideration. He noted it was expensive to conduct a campaign and a smaller boundary/area may be more affordable and garner more interest for filing for election and create more opportunities.

Commissioner Halpern noted there is no guarantee of major changes in the comprehensive plan, noting residential will most likely still be residential.

Chair Lester suggested some councilmembers may have been caught off guard and suggested a joint workshop be scheduled instead to better explain the commission's reasons for their recommendation.

Commissioner Goracke agreed a joint workshop would provide a better avenue for discussion and questions on reasons for the recommendation.

Moved by Commissioner Goracke, seconded by Commissioner Halpern, to recommend a joint workshop be scheduled for first quarter 2024 to further discuss a possible charter amendment regarding redetermination of ward boundaries.

Motion approved unanimously.

6.3 Councilmember Recall Process

Ms. Sorensen shared minutes from the council workshop regarding their recommendation to the commission to remove reference to nonfeasance and decrease the threshold for petitions to 20% of registered voters.

Moved by Commissioner Goracke, seconded by Commissioner Homan, to remove the term "nonfeasance" and reduce the threshold from 25% to 20% as recommended by city council.

Motion approved unanimously.

Other Business

None.

Set Next Meeting Date

Staff will notify the Commission when these topics will be scheduled for Council discussion.

7. Adjournment

Moved by Commissioner Goracke, seconded by Commissioner Tagarro, to adjourn. Motion approved unanimously. The meeting was adjourned at 6:50 PM.

_____

Catherine M. Sorensen, CMC, City Clerk
Staff Liaison/Blaine Charter Commission

Council Salary Review

- Council requested the Commission review and make recommendations for Mayor/Councilmember salary review
- Last increase occurred in 2015
  - Sec. 2-31. - Salaries of mayor and councilmembers. Pursuant to the City Charter, section 2.07, and Minn. Stat. § 415.11, as amended, the salary of the mayor shall be increased to $1,192.80 per month; and the salary of the councilmembers shall be increased to $875.00 per month, effective January 2015.
- The Commission reviewed salary data from comparable cities, cost of living adjustments (COLA) and consumer price index data
- The Commission acknowledged the many complex projects and developments in Blaine and time spent by Council in and outside of required meetings
- Rather than an annual salary recommendation, the Commission recommended a mechanism be created that provided for annual review based on COLA consistent with city staff

Council Salary Review

After council's request that the commission consider providing a specific salary recommendation, the commission recommended the following:

- Salary increases effective 2025 as follows:
  - Mayor - $18,315.03/yr - currently $14,313.60/yr
  - Councilmembers - $13,461.54/yr - currently $10,500/yr

- The commission wanted to echo their belief that their role was to recommend charter language that provided for regular salary review going forward based on established criteria, but that decisions regarding specific salaries should be made by council

Council Salary Review

Sec. 2.07. Salaries.

The monthly salary of each of the councilmembers and the mayor shall be established by ordinance. Review of salaries shall be conducted in June of every odd numbered year and recommendations for adjustments, if any, be based on the annual cost of living adjustments consistent with adjustments provided to city staff. ~~The mayor and councilmembers, in addition to the above salaries, shall be paid a reasonable sum for each day and their reasonable expenses incurred while traveling outside the city on the city's business.~~

Council Salary Review

Next steps

- Staff will schedule the proposed charter amendment for public hearing and council consideration
  - Reminder charter amendments require a unanimous vote of council
- Staff will also bring forward the proposed ordinance amending the actual salaries
  - Council has the ability to not adopt any proposed salary adjustment

City of Blaine
Staff Report

File Number: 2023-610

Agenda Date	Status
December 4, 2023	
In Control	**File Type**
City Council	Action Item

New Business -

Agenda Item # 2.6

Proposed Charter Amendment - Council Recall

Executive Summary

Background

Council requested the commission draft language that allowed for a recall petition as it currently does not exist in charter. Several city charters were reviewed. MN Constitution/state case law restricts reasons for a recall to serious malfeasance or nonfeasance:

-Malfeasance - performance of an act in their official capacity that is wholly illegal and wrongful
-Nonfeasance means neglect or refusal, without sufficient excuse, to do what is a member's legal duty to do

Council requested the commission consider removing reference to nonfeasance and lowering the threshold of registered voters from 25% to 20%. The commission agreed to those recommendations and the revised charter amendment is being presented for final input prior to scheduling for public hearing.

Strategic Plan Relationship

Board/Commission Review

Financial Impact

Public Outreach/Input

Staff Recommendation

Review and make final recommendations on proposed charter amendment language.

Attachment List

1. 10-16-23 Council Workshop Minutes
2. 11-14-23 Draft Charter Commission Minutes
3. Chapter 5. Initiative and Referendum and Recall
4. PowerPoint

Upon motion and second the Council moved from closed session.

Motion adopted unanimously.

2.2. 2023-501 Proposed Charter Amendment - Council Recall
Sponsors: Cathy Sorensen, City Clerk

City Clerk Sorensen stated in 2022 the council directed the charter commission to consider charter amendments that would provide for a recall process for an elected mayor or councilmember. It should be noted that Minnesota's constitution and statute provide for recall of elected state officials but not city officials. The topic was discussed at the 2022 commission meetings where commissioners shared input cautioning that reasons for recall should not include those for good cause such as health. It should be noted that statute allows cities to declare a vacancy of office if unable/unwilling to serve for a period of 90 days and city charter already includes language regarding a member's inability or refusal to serve so any potential recall language would be for reasons such as dereliction of duty or criminally based, such as gross misdemeanor or higher. It should also be noted the Minnesota Constitution and state court decisions have restricted the recall of city officials to cases of serious malfeasance or nonfeasance during the term of office in the performance of the duties of the office.

Ms. Sorensen reported during their meetings the commission discussed the desire to have the recall committee be comprised of a larger group of voters than other cities' charters requirements of five. The commission also discussed the potential for lawsuits if petitions were unfounded and if the councilmember as subject of the recall could appeal the validity of the petition. Discussion was held that while city charter sets the parameters for recall, ultimately any recall result is up to the voters and suggested setting the threshold for recall high. The proposed draft currently includes that threshold to be 25% of the total number of registered voters at the last regular election, but the commission recognizes this threshold may be quite high and is seeking feedback from the council. Over the last few months, the commission has reviewed examples from several cities as well as draft language based on the City of Richfield. Staff and the commission are seeking input on the attached draft language for Chapter 5 of the City Charter and once finalized, a public hearing will be scheduled and the proposed amendment presented to council for formal consideration.

Councilmember Flemming asked staff to provide her with an example of what a nonfeasance was. City Attorney Loonan explained if a councilmember was not carrying out their duties, if they had reoccurring absences this may be deemed nonfeasance and would constitute a removal. He reported nonfeasance was viewed as a councilmember not carrying out their duties or the oath they have taken when sworn in.

Councilmember Fleming questioned who would head up the petition committee. Ms. Sorensen reported this committee would be made up of a group of registered voters that wanted to recall a member from the city council. She explained the charter commission was recommending this committee be made up of 25 members.

Councilmember Robertson believed the language surrounding "nonfeasance" was a bit

vague. She questioned how the city was to deem what does and does not fall into nonfeasance. Mr. Loonan reported as long as a councilmember was voting and doing their duty as a councilmember they were not engaged in nonfeasance. He explained that just because a councilmember votes a certain way, this can not be deemed as nonfeasance because they were engaged and doing their duty. He advised if councilmembers were not participating in votes, or not being a part of the process by neglecting their duties as a councilmember, this would be deemed as nonfeasance.

Councilmember Robertson recommended this language be further refined in order to be clear.

Mayor Sanders questioned how long the petition committee had to order the recall. Ms. Sorensen reported the committee would have 30 days to collect signatures and staff would have 10 days to verify the signatures once the petition was submitted to the city.

Councilmember Newland stated he believed the 10 days offered to staff to verify the signatures was too short. He recommended this time period be increased in order to not over burden staff. In addition, he recommended that the 25% be reduced to 10% to 15%.

Commissioner Zikmund explained the council would have to come to a consensus on what the number of days should be.

Councilmember Saroya discussed the process that has to be followed by the public in order to bring a petition forward to staff. She asked how many signatures would have to come forward. Ms. Sorensen explained based on the last voting cycle approximately 3,500 signatures would have been required.

Further discussion ensued regarding the process that would be followed for a recall election.

Councilmember Larson asked if 25% of the voters had to be within a specific ward or throughout the entire city. Ms. Sorensen explained if a councilmember was being recalled, 25% of voters would have to be within the councilmember's ward. She noted if the mayor was being recalled, the petition committee would have to collect signatures from 25% of the registered voters in the city as the mayor position served at large.

Councilmember Newland supported the city clerk having 30 days to review a submitted petition. Ms. Sorensen indicated she could review state statute to see if this would be allowed.

Councilmember Robertson explained she supported the nonfeasance language being further refined. She stated she did not have a problem with the petition committee having to gather 25% of registered voter's signatures. She did not want the process to be too simple because this may cause numerous petitions to be submitted when councilmembers aren't voting the way the public wants. Ms. Sorensen commented on how any petitions submitted would be reviewed by herself and the city attorney to ensure they were sufficient.

Mr. Loonan explained there were court opinions regarding nonfeasance and malfeasance, along with state statute which would assist staff in determining if nonfeasance or

malfeasance were to occur.

Councilmember Massoglia stated he agreed with many of the comments made by Councilmember Robertson. He recommended the malfeasance language remain in the charter and that the nonfeasance language be removed. He did not want this process to be followed for menial political matters.

Councilmember Larson agreed with the recommendations from Councilmember Massoglia, noting someone had already tried to remove her from city council.

Councilmember Saroya recommended an internal process be considered instead, such as a public reprimand or censorship. Mr. Loonan indicated the council can police itself, but they cannot remove each other. He stated the council could establish its own rules and code of conduct.

Councilmember Saroya noted she was not supportive of removing a councilmember and stated elections were held every four years and the people get to decide.

Councilmember Massoglia explained another election would be held after the petition which allows the people to decide.

Mayor Sanders stated the current language within the charter would allow a councilmember to do almost anything illegal and as long as it did not result in a year in prison and they could remain on the council. He indicated this language was causing some concern for him and therefore supported the recall language.

Council consensus was to support the removal of the nonfeasance language.

Mayor Sanders supported the 25% being reduced slightly.

Councilmember Newland suggested the 25% be reduced to 20%. The council supported this recommendation.

Council shared input and feedback on the proposed language and requested amendments removing "nonfeasance" from the proposed language as it was already addressed in charter under council vacancies, and reduce the threshold of signatures required to initiate a recall petition to 20% instead of 25%. In addition, if allowed by state statute, the council suggested extending the time period to review a submitted petition to more than 10 days, if possible up to 30 days.

2.3. 2023-500 Proposed Charter Commission Amendment - Redetermination of Ward Boundaries
Sponsors: Cathy Sorensen, City Clerk

This item was postponed to a future workshop.

2.4. 2023-498 Proposed Charter Commission Amendment - Council Salaries

DRAFT

City of Blaine
Anoka County, Minnesota
Minutes of the Meeting
Blaine Charter Commission

Tuesday, November 14, 2023

6:00 PM
Community Room
10801 Town Square Drive NE

1. Call To Order

The meeting was called to order at 6:00 PM.

2. Roll Call

Present: Chair Jeffrey Lester, Commissioners Ken Anderson, Alan Goracke, Jason Halpern, Terri Homan, Ayman Khan, Arman Tagarro

Absent: Commissioners Jason Hartmann, Dick Swanson, Nyle Zikmund

Also Present: City Clerk/Staff Liaison Cathy Sorensen

Quorum present.

3. Approval Of Minutes – October 10, 2023

Moved by Commissioner Homan, seconded by Commissioner Goracke, that the minutes of October 10, 2023, be approved as presented.

Motion approved unanimously.

4. Open Forum

No one appeared.

5. New Business

None.

6. Old Business

6.1 Council Salary Review/Recommendation Process

City Clerk/Staff Liaison Cathy Sorensen shared minutes from the council workshop regarding the council salary review/recommendation process and council's general support of the amendment for regular salary review but requested the charter commission propose a specific salary recommendation instead of a range as proposed.

Commissioner Goracke stated a specific recommendation would place the commission in a position of power and felt that should be up to council as they were elected by the people and the commission was providing more of a guardrail. He said he felt the recommended range of an amount up to a limit was responsible and allowed the elected officials something to accept or change, adding the charter commission was not an elected body but appointed. He said he felt good about the commission's work and that it was not appropriate to recommend an actual amount.

Chair Lester said he believed the decision should be made by council and that the recommendation was based on data analysis. He said he would support making a specific dollar recommendation if necessary of $18,315.03 for mayor and $13,461.54 for council but firmly believed it was ultimately for council to decide.

Commissioner Homan stated the commission made their decision based on data but did not have access to other information the council has such as budget impacts and supported the up to amount range recommendation.

The commission discussed recommending a not to exceed amount instead of an up to amount as a way to address council's concerns.

Commissioner Halpern supported making a specific salary recommendation for 2025 and using data based on COLA going forward.

Commissioner Arman suggested removing consideration of Bloomington and Hopkins from the data set and recommending salaries of $17,000 and $12,000 respectively.

Commissioner Anderson said he wanted the recommendation to be analytical and apolitical.

Moved by Commissioner Goracke, seconded by Commissioner Anderson, to remove reference of an "up to" amount and recommend a salary increase of $18,315.03 for mayor and $13,461.54 for council effective 2025 but to reiterate their original recommendation going forward that specific salary decisions should be made by city council and not the charter commission.

Motion approved unanimously.

6.2 Redetermination of Ward Boundaries

Ms. Sorensen shared minutes from the council workshop regarding discussion of possible redetermination of ward boundaries and the council's recommendation to reconsider the topic in 2027 as part of the next comprehensive plan update.

Commissioner Goracke said it could be too late if we wait until 2027 as the proposed amendment provided structure possibilities and was proactive instead of reactive and having the mechanism available could benefit the people of Blaine.

Commissioner Halpern noted with current term limits for Planning Commission there could be whole new commission in place by 2027.

Commissioner Anderson asked for reasons why the comprehensive plan was an important benchmark for ward redetermination and felt this was more election orientated and could be used as a reason to postpone consideration. He noted it was expensive to conduct a campaign and a smaller boundary/area may be more affordable and garner more interest for filing for election and create more opportunities.

Commissioner Halpern noted there is no guarantee of major changes in the comprehensive plan, noting residential will most likely still be residential.

Chair Lester suggested some councilmembers may have been caught off guard and suggested a joint workshop be scheduled instead to better explain the commission's reasons for their recommendation.

Commissioner Goracke agreed a joint workshop would provide a better avenue for discussion and questions on reasons for the recommendation.

Moved by Commissioner Goracke, seconded by Commissioner Halpern, to recommend a joint workshop be scheduled for first quarter 2024 to further discuss a possible charter amendment regarding redetermination of ward boundaries.

Motion approved unanimously.

6.3 Councilmember Recall Process

Ms. Sorensen shared minutes from the council workshop regarding their recommendation to the commission to remove reference to nonfeasance and decrease the threshold for petitions to 20% of registered voters.

Moved by Commissioner Goracke, seconded by Commissioner Homan, to remove the term "nonfeasance" and reduce the threshold from 25% to 20% as recommended by city council.

Motion approved unanimously.

Other Business

None.

Set Next Meeting Date

Staff will notify the Commission when these topics will be scheduled for Council discussion.

7. Adjournment

Moved by Commissioner Goracke, seconded by Commissioner Tagarro, to adjourn. Motion approved unanimously. The meeting was adjourned at 6:50 PM.

_____

Catherine M. Sorensen, CMC, City Clerk
Staff Liaison/Blaine Charter Commission

CHAPTER 5. INITIATIVE AND REFERENDUM AND RECALL

Sec. 5.13. Reserved.

Section 5.14. The Recall.

No less than twenty-five (25) registered voters eligible to vote on candidates for that office may form themselves into a committee for the purpose of bringing about the recall of any member of council, which is comprised of a mayor and six (6) councilmembers, as outlined in Sec. 2.03. - Elective Offices, or as amended from time to time. If the committee seeks the recall of a ward councilmember, the registered voters constituting the committee must be from that councilmember's ward. The committee must certify to the city clerk the name of the councilmember whose removal is sought, a statement of the grounds for removal in not more than two hundred and fifty (250) words, and the committee's intention to bring about their recall. A copy of this certificate must be attached to each signature paper and no signature paper may be put into circulation previous to such certification.

The Minnesota Constitution and state court decisions restrict the recall of elected city officials to cases of serious malfeasance ~~or nonfeasance~~ during the term of office the performance of the duties of the office. The grounds for recall, as set forth in the recall petition, must be predicated on one (1) or more charges of serious malfeasance ~~or nonfeasance, or both,~~ during the term of office in the performance of the duties of the office. For this purpose the word "malfeasance" means the performance of an act by a councilmember in their official capacity that is wholly illegal and wrongful ~~and the word "nonfeasance" means the neglect or refusal, without sufficient excuse, to do that which it is the councilmember's legal duty to do so~~.

Section 5.15. Recall Petitions.

The petition for the recall of any councilmember must consist of a certificate identical to that filed with the city clerk together with all the signature papers and affidavits thereto attached. All the signatures need not be on one (1) signature paper, but the circulator of every signature paper must make an affidavit that each signature appended to the paper is the genuine signature of the person whose name it purports to be. Every circulator of a signature paper must be a registered voter eligible to vote on candidates for that office. Each signature paper must be in substantially the following form:

RECALL PETITION

Proposing the recall of _____ from the office as _____ which recall is sought for the reasons set forth in the attached certificate.

Committee

This movement is sponsored by the following committee of registered voters eligible to vote on candidates for that office.

	Legal Signature	Name (print legibly)	Address (print legibly)
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
[listing all members of the committee]			

Instructions to Petition Signers

You are being asked to sign a petition. You must be a resident of, and a registered voter in, the City of Blaine and corresponding ward if the subject of the recall petition is not at large. Every person signing this petition must do so in the presence of the person circulating the petition. It is a criminal offense to sign a name other than your own to the petition or to accept compensation for signing your name to the petition. Pursuant to Section 5.16 of Blaine City Charter, ~~twenty-five (25)~~ twenty (20) percent of the total number of registered voters eligible to vote on candidates for that office at the last preceding regular municipal election is required to be deemed a sufficient petition, which is [X] signatures.

The undersigned registered voters, all being eligible to vote on candidates for that office, understanding the nature of the charges against the councilmember herein sought to be recalled, desire the holding of a recall election for that purpose.

	Date	Legal Signature	Name (print legibly)	Address (print legibly)
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____

The affidavit of the circulator must be attached at the end of the list of signatures.

Section 5.16. Filing of Petition.

Within thirty (30) days after the filing of the original certificate, the committee must file the completed petition in the office of the city clerk. The city clerk must examine the petition within the next ten (10) working days and if the city clerk and/or city attorney finds it irregular in any way, or finds that the number of signers is less than ~~twenty-five (25)~~ twenty (20) percent of the total number of registered voters eligible to vote on candidates for that office at the last preceding regular municipal election, the city clerk must so notify one (1) or more members of the committee. The committee shall then be given ten (10)

days in which to file additional signature papers and to correct the petition in all other respects, but the committee may not change the statement of the grounds upon which the recall is sought. If at the end of that time the city clerk and/or city attorney finds the petition still insufficient or irregular, the city clerk must notify all the members of the committee to that effect and file the petition in the city clerk's office. No further action shall be taken thereon.

Section 5.17. Recall Election.

If the petition or amended petition is found sufficient, the city clerk must transmit it to the council without delay, and must also officially notify the person sought to be recalled of the sufficiency of the petition and of the pending action. If the councilmember sought to be recalled does not resign within ten (10) days after having been given such notice, the council shall, at its next meeting occurring more than ten (10) days after the receipt by the council of the recall petition, by resolution, provide for the holding of a special recall election as allowed by statute and election law, as amended from time to time. If the special recall election involves one (1) or more ward councilmembers, the recall election must be conducted only within the wards of the affected councilmembers. If it involves a councilmember who is elected at large, the election must be a citywide election.

Section 5.18. Procedure at Recall Election.

The city clerk must include with the published notice of the election the statement of the grounds for recall and also, in not more than five hundred (500) words, the response of the councilmember concerned in justification of their course in office. The election must be conducted in accordance with statute and election law, as amended from time to time.

Section 5.19. Form of Recall Ballot.

The form of the ballot at such election shall be: "Shall _____ be recalled and thereby removed from office?" The name of the councilmember whose recall is sought and their office shall be inserted in the blank. The voters shall be permitted to vote separately "yes" or "no" upon this question. If a majority of those voting on the question of recall vote in favor of recall, the official shall be thereby removed from office, effective as allowed by statute and election law, as amended from time to time.

Section 5.20. Procedure to Fill Vacancy.

In the event that a councilmember is recalled by the voters or resigns after a petition has been filed for their recall, the vacancy must be filled pursuant to Sec. 20.5 – Vacancies in the council.

Section 5.21. Term.

The term of the candidate selected by the voters at the special election to fill the unexpired term shall start as soon as the certified results have been canvassed by the council and filed with the city clerk and the person has been duly qualified for office.

Section 5.22. Offenses; penalty.

It is unlawful for a person to:

a. Sign a name other than that person's own name to an initiative, referendum, or recall petition;

b. Circulate an initiative, referendum, or recall petition without required attachments;

c. Circulate an initiative, referendum, or recall petition when unqualified to do so;

d. Sign an initiative, referendum, or recall petition when that person knows they are not qualified to do so;

e. Make a false affidavit in connection with an initiative, referendum, or recall petition;

f. Pay or offer to pay a person, or receive payment or agree to receive payment, for signing an initiative, referendum, or recall petition;

g. Pay or offer to pay a person, or receive payment or agree to receive payment, on a basis related to the number of signatures obtained for circulating an initiative, referendum, or recall petition. This subsection does not prohibit the payment of salary and expenses for circulation of the petition on a basis not related to the number of signatures obtained, as long as the circulators fully disclose all contributions received to the city clerk upon submission of the petitions.

A violation of this section is a misdemeanor punishable in accordance with state law.

Sec. 2.05. Vacancies in the council.

A vacancy in the council shall exist in case of:

(1) The failure of any person elected thereto to qualify on or before the date of the second regular meeting of the new council; or

(2) The death, resignation, removal from office, removal from the city, continuous absence of any councilmember from the city for more than three (3) months; or

(3) The failure of any councilmember without good cause to perform any of the duties of membership in the council for a period of two (2) months; or

(4) The conviction of any such person of a crime for which a sentence of imprisonment for more than one year may be imposed, whether before or after such person's qualification.

If a vacancy on the council is for a period of more than twelve (12) months, the council shall by resolution declare the vacancy to exist and shall by resolution call for a special election as provided in this section.

If a vacancy on the council is for a period of less than twelve (12) months, the council shall by resolution declare that the vacancy exists. Within the next forty-five (45) days, the council shall by resolution appoint an eligible person to the existing vacancy. The appointee shall serve until January 1 following the next regular municipal election, or until their successor is elected and qualified. ~~At the next regular municipal election, the office will be filled for the unexpired term.~~

The council may by resolution waive its right to appoint to fill a vacancy and may call a special election to be held as soon as legally permissible. If a vacancy on the council is not filled by appointment within the forty-five (45) days following the declaration of the vacancy, the council shall call a special election as provided in this section.

Notwithstanding anything to the contrary herein, any vacancy resulting from a recall election or from a resignation following the filing of a recall petition shall be filled in the manner provided above.

Council Recall

- Council requested the commission draft language that allowed for a recall petition as it currently does not exist in charter
- Several city charters were reviewed
- MN Constitution/state case law restricts reasons for a recall to serious malfeasance/nonfeasance
  - Malfeasance - performance of an act in their official capacity that is wholly illegal and wrongful
  - Nonfeasance means neglect or refusal, without sufficient excuse, to do what is a member's legal duty to do
- Council requested the commission consider removing reference to nonfeasance and lowering the threshold of registered voters from 25% to 20%
- The commission agreed to those recommendations and the revised charter amendment is being presented for final input prior to scheduling for public hearing

City of Blaine
Staff Report

File Number: 2023-609

Agenda Date	Status
December 4, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Cathy Sorensen, City Clerk

Agenda Item # 2.7

Proposed Charter Amendment - Redetermination of Ward Boundaries

Executive Summary

Background

The charter commission reviewed council's recommendation to postpone consideration of the proposed charter amendment regarding redetermination of ward boundaries until 2027 as part of the comprehensive plan update at their November 14 meeting. After discussion they respectfully request a joint workshop be scheduled in 2024 to further share their reasons and allow council to ask questions regarding this proposed amendment.

Strategic Plan Relationship

Board/Commission Review

Financial Impact

Public Outreach/Input

Staff Recommendation

No action is requested at this time.

Attachment List

1. 11-6-23 Council Workshop Minutes
2. 11-14-23 Draft Charter Commission Minutes

council received a pay increase and when the proposed increase would go into effect. She asked how many votes a charter commission amendment would need in order to pass. Ms. Sorensen reported the amendment required a unanimous vote of the council in order to move forward but the actual salary increase would be a majority vote of the council.

Councilmember Fleming questioned why the charter commission didn't set the pay increase but instead provided a range. Ms. Sorensen explained the charter commission did not feel comfortable setting an actual salary as they understood how uncomfortable this process can be so instead proposed a range for the council to consider.

Councilmember Fleming supported the council having a COLA mechanism in place going forward for council pay and requested the charter commission set the actual pay for the council.

Commissioner Robertson requested staff go back to the charter commission and ask that they set the pay increase so this decision does not have to be made by the city council.

Council generally supported the charter language amendment but wanted more direction from the charter commission on the actual proposed salary amounts. Council requested the topic be presented again after the charter commission met to discuss this matter.

2.3. 2023-500 Proposed Charter Commission Amendment - Redetermination of Ward Boundaries
Sponsors: Cathy Sorensen, City Clerk

Ms. Sorensen stated as part of the redistricting process in early 2022, council shared general support of the charter commission's recommendation to draft potential amendments that would allow the ability to consider possible ward boundaries and restructuring in the future as the city reaches full development. The commission's reasons for creating this ability was based on the potential benefits of more neighborhood-based wards. Staff presented proposed redistricting plans to council and the charter commission at workshops on February 14 and March 7, 2022, with first reading on March 7 and second reading and adoption on March 21, 2022. Factors used to determine the adopted ward boundaries and precincts included:

- 2020 census population
- projected population growth
- registered voters and estimated voters
- wards that were bounded by precinct lines, compact in area, and composed of contiguous territory
- wards that were as equal in population as practicable within the required 5% population threshold
- polling place management

Ms. Sorensen reported at the meetings there was discussion that should future councils/charter commissions ever wish to consider the possibility of more neighborhood-based wards there was no mechanism included in charter to allow for that

review. Redistricting after the census allows for review and adjustment of established precinct boundaries, but work to review any potential ward structure changes needs to occur two to three years before the census. The language being proposed would provide a way to review population data before a census and provide future councils and charter commissions the ability to decide at that time if changes should be explored. The proposed amendment would not result in any ward structure changes but just allow the city to be proactive and provide an opportunity to review the data and make recommendations, which a recommendation could certainly be that no ward boundary or structure changes should occur at all. If the conclusion by future councilmembers and commissioners was to amend the current ward structure, other amendments would then be presented for formal consideration. She confirmed the proposed amendment being presented would just provide a mechanism for future review; no actual ward-structure changes are being recommended at this time.

Councilmember Fleming inquired why this item was brought forward and asked if the current ward system was not working. Mayor Sanders stated the city will always have wards but the council was is being asked if they want to have the ability to restructure in the future with at-large councilmembers for example or possibly a different number of wards.

Councilmember Robertson indicated the census prompts staff to look at the wards due to population shifts.

Councilmember Massoglia stated he did not recall the council giving the charter commission direction to pursue this matter. Ms. Sorensen agreed the council did not direct the charter commission to take on this task but there was general consensus during redistricting to have the charter commission explore this idea.

Ms. Wolfe reported staff researched the minutes and noted the council discussed the fact that there might have been interest in exploring a different way to do the wards. She indicated there was no mechanism for having any discussion about how the wards were structured except for using census data. She commented that as the city continues to grow, the council may want to have further conversations on how wards should be structured.

Councilmember Fleming asked when was the right time to have this discussion. Ms. Sorensen stated two or three years prior to the next census would be the right time. She indicated staff could then monitor growth in the community and consider how this growth was impacting the city's wards and have the charter commission bring forward potential options for consideration.

Councilmember Robertson supported a potential new ward structure discussion being tied to future comprehensive plan discussions. The council was in agreement.

Council supported this amendment being considered later in 2027 as part of the comprehensive plan discussions.

2.4. 2023-520 Closed Session to Discuss Non-Public Data Relating to an Active Investigation Pursuant to MN Statute 13D.05 Subd. 2(2)

DRAFT

City of Blaine
Anoka County, Minnesota
Minutes of the Meeting
Blaine Charter Commission

Tuesday, November 14, 2023

6:00 PM
Community Room
10801 Town Square Drive NE

1. Call To Order

The meeting was called to order at 6:00 PM.

2. Roll Call

Present: Chair Jeffrey Lester, Commissioners Ken Anderson, Alan Goracke, Jason Halpern, Terri Homan, Ayman Khan, Arman Tagarro

Absent: Commissioners Jason Hartmann, Dick Swanson, Nyle Zikmund

Also Present: City Clerk/Staff Liaison Cathy Sorensen

Quorum present.

3. Approval Of Minutes – October 10, 2023

Moved by Commissioner Homan, seconded by Commissioner Goracke, that the minutes of October 10, 2023, be approved as presented.

Motion approved unanimously.

4. Open Forum

No one appeared.

5. New Business

None.

6. Old Business

6.1 Council Salary Review/Recommendation Process

City Clerk/Staff Liaison Cathy Sorensen shared minutes from the council workshop regarding the council salary review/recommendation process and council's general support of the amendment for regular salary review but requested the charter commission propose a specific salary recommendation instead of a range as proposed.

Commissioner Goracke stated a specific recommendation would place the commission in a position of power and felt that should be up to council as they were elected by the people and the commission was providing more of a guardrail. He said he felt the recommended range of an amount up to a limit was responsible and allowed the elected officials something to accept or change, adding the charter commission was not an elected body but appointed. He said he felt good about the commission's work and that it was not appropriate to recommend an actual amount.

Chair Lester said he believed the decision should be made by council and that the recommendation was based on data analysis. He said he would support making a specific dollar recommendation if necessary of $18,315.03 for mayor and $13,461.54 for council but firmly believed it was ultimately for council to decide.

Commissioner Homan stated the commission made their decision based on data but did not have access to other information the council has such as budget impacts and supported the up to amount range recommendation.

The commission discussed recommending a not to exceed amount instead of an up to amount as a way to address council's concerns.

Commissioner Halpern supported making a specific salary recommendation for 2025 and using data based on COLA going forward.

Commissioner Arman suggested removing consideration of Bloomington and Hopkins from the data set and recommending salaries of $17,000 and $12,000 respectively.

Commissioner Anderson said he wanted the recommendation to be analytical and apolitical.

Moved by Commissioner Goracke, seconded by Commissioner Anderson, to remove reference of an "up to" amount and recommend a salary increase of $18,315.03 for mayor and $13,461.54 for council effective 2025 but to reiterate their original recommendation going forward that specific salary decisions should be made by city council and not the charter commission.

Motion approved unanimously.

6.2 Redetermination of Ward Boundaries

Ms. Sorensen shared minutes from the council workshop regarding discussion of possible redetermination of ward boundaries and the council's recommendation to reconsider the topic in 2027 as part of the next comprehensive plan update.

Commissioner Goracke said it could be too late if we wait until 2027 as the proposed amendment provided structure possibilities and was proactive instead of reactive and having the mechanism available could benefit the people of Blaine.

Commissioner Halpern noted with current term limits for Planning Commission there could be whole new commission in place by 2027.

Commissioner Anderson asked for reasons why the comprehensive plan was an important benchmark for ward redetermination and felt this was more election orientated and could be used as a reason to postpone consideration. He noted it was expensive to conduct a campaign and a smaller boundary/area may be more affordable and garner more interest for filing for election and create more opportunities.

Commissioner Halpern noted there is no guarantee of major changes in the comprehensive plan, noting residential will most likely still be residential.

Chair Lester suggested some councilmembers may have been caught off guard and suggested a joint workshop be scheduled instead to better explain the commission's reasons for their recommendation.

Commissioner Goracke agreed a joint workshop would provide a better avenue for discussion and questions on reasons for the recommendation.

Moved by Commissioner Goracke, seconded by Commissioner Halpern, to recommend a joint workshop be scheduled for first quarter 2024 to further discuss a possible charter amendment regarding redetermination of ward boundaries.

Motion approved unanimously.

6.3 Councilmember Recall Process

Ms. Sorensen shared minutes from the council workshop regarding their recommendation to the commission to remove reference to nonfeasance and decrease the threshold for petitions to 20% of registered voters.

Moved by Commissioner Goracke, seconded by Commissioner Homan, to remove the term "nonfeasance" and reduce the threshold from 25% to 20% as recommended by city council.

Motion approved unanimously.

Other Business

None.

Set Next Meeting Date

Staff will notify the Commission when these topics will be scheduled for Council discussion.

7. Adjournment

Moved by Commissioner Goracke, seconded by Commissioner Tagarro, to adjourn. Motion approved unanimously. The meeting was adjourned at 6:50 PM.

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Catherine M. Sorensen, CMC, City Clerk
Staff Liaison/Blaine Charter Commission