# City of Blaine
# City Council Workshop

June 10, 2024 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

## MINUTES

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

### 1. Call to Order

The meeting was called to order by Mayor Pro Tem Robertson at 5:30PM.

### 2. Roll Call

**PRESENT**: Mayor Pro Tem Robertson, Councilmembers Terra Fleming, Leslie Larson, Chris Massoglia, Lori Saroya (left at 7:00PM), and Tom Newland.

**ABSENT**: Mayor Tim Sanders.

Quorum Present.

**ALSO PRESENT:** City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Police Captain Russ Clark; Finance Director Jason Zimmerman; Fire Chief Dan Retka; Director of Engineering Dan Schluender; Senior Parks & Recreation Manager Jerome Krieger; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

### 3. New Business

**3.1.** 2024-221 State Lobbyist Update
*Sponsors: Michelle Wolfe, City Manager*

City Manager Wolfe stated the Lockridge Grindal Nauen team will provide an update on lobbying efforts. The lobbying team will cover the additional $1 million in funding for TH65, cannabis, numerous city housing issues related to low-income tax credits, senior caps, housing aid, zoning preemption issues and more. The team will also talk about local option sales taxes, hospitality taxes, tax increment financing, prevailing wage requirements, open meeting law, council district wards, social districts (liquor) and related issues. In addition, they will summarize the specific lobbying work they did on behalf of the City and will request preliminary input on legislative strategy moving forward.

Ann Lenczewski, Lockridge Grindal Nauen, provided the council with an update on recent lobbying efforts. She stated she was glad to have been a part of the success the city had in securing funding for TH65 in 2023. She noted a bonding bill was not approved in 2024. She discussed the affordable housing bill that would have taken away local control but did not move forward. She indicated a moratorium was still in place for local sales taxes, but the council could consider this for the future.

Alex Hassel, Lockridge Grindal Nauen, introduced herself to the council noting she previous worked for the League of Minnesota Cities. She commented on how the state can influence affordable housing and explained the state considered restricting certain abilities for cities related to zoning when it comes to housing. However, due to the advocacy of Blaine and other municipalities, the state's proposals did not prevail. She provided further comment on prevailing wage and other housing requirements the state was considering. She explained the city would be receiving its first installment of state housing aid in July. Lastly, she discussed the cannabis omnibus bill that was approved by the legislature.

Ms. Lenczewski stated they received another $1 million in funding for TH65 this year then mentioned she has worked with the governor's office on the city's behalf and explained the state valued the 105th area redevelopment project. She commended the city for bringing this project forward. She then discussed the upcoming election and noting she looked forward to working with the city again in the next legislative session.

Councilmember Massoglia asked if the broadband franchising bill would come back in 2025. Ms. Lenczewski anticipated this bill would be back in 2025. Ms. Hassel stated this bill may have failed in 2024 due to optics, given the fact it was an election year.

Councilmember Larson thanked Ms. Lenczewski for making her experience at the Capitol very welcoming.

Mayor Pro Tem Robertson thanked Ms. Lenczewski and Ms. Hassel for their efforts on behalf of the city.

**3.2.** 2024-219 Council Requested Items for Discussion - Pavement Management
*Sponsors: Michelle Wolfe, City Manager*

Ms. Wolfe reported Councilmember Massoglia has proposed a topic on city road reconstructions versus mill and overlay with a refresher on the city's current capital planning philosophy in further detail at a future workshop meeting.

Councilmember Massoglia explained he would like to discuss this topic further prior to considering the 2025 budget. He indicated he would like to review the city's pavement management plan along with the street PSI ratings. Director of Engineering Schluender stated this would be a good exercise for the council to review prior to beginning the budget.

Councilmember Newland asked if the city completed any mill and overlay projects. Mr. Schluender reported the city does do some mill and overlay projects.

Council consensus was to bring pavement management forward for a future workshop.

**3.3.** 2024-220 Council Requested Items for Discussion - Staffing/Vacancies
*Sponsors: Michelle Wolfe, City Manager*

Ms. Wolfe reported Councilmember Massoglia has proposed a topic on city staffing/position vacancies and would like this matter discussed in further detail at a future workshop meeting.

Councilmember Massoglia indicated he wanted to better understand the city's organizational chart and financial position when it comes to current staffing levels and vacancies.

Councilmember Newland reported he did not support discussing this matter further and believed this matter should be delegated to the city manager.

Councilmember Fleming indicated she would like to better understand where the city manager's role stopped and the council's began. Ms. Wolfe explained the mayor and council were tasked with setting service levels, and she was then responsible for setting the number of positions in order to meet the needs of the community. She stated she was concerned that this topic may take a deeper dive into the details than may be needed and anticipated much of the information Councilmember Massoglia was seeking would be presented through budget discussions.

Council consensus was not to bring city staffing/position vacancies forward for a future workshop at this time, but to incorporate overall staffing discussions as part of the 2024 to 2025 budget process and schedule additional discussions if needed.

**3.4.** 2024-218 SBM Fire Department: SAFER Grant II
*Sponsors: Michelle Wolfe, City Manager, Jason Zimmerman, Finance Director*

Finance Director Zimmerman stated at the May 20 workshop, SBM Fire Chief Dan Retka presented the background information in support of his request to submit for a SAFER grant. As outlined, the SBM application requests funding for 12 full-time positions: six (6) captains and (6) firefighters. The next step is to briefly outline the financial impact of this request.

<u>SAFER Grant - Financial Estimates:</u>

SBM staff provided the following estimates for the first three years:
Year 1: $1,375,619
Year 2: $1,452,625

Year 3:$ 1,534,718

Mr. Zimmerman reported beginning in Year 4, which would be 2028, the partner cities would begin covering the costs of the 12 additional positions. The City of Blaine's share is 76%. Based on a high-level assumption of 5.6% increase, the Year 4 costs would be $1,620,662, of which Blaine would be responsible for $1,231,703. For illustrative purposes, this would represent an approximate 2.9% levy increase based on the 2024 budget.  Staff commented further on the fire department's financial outlook and requested feedback from the council on how to proceed.

Ms. Wolfe stated she believed it would be important to take a strong look at the staffing needs for both the fire department and police department, beyond just patrol.

Councilmember Newland asked when the results of the SAFER grant would come forward. Ms. Wolfe noted the results would come forward in August.

Councilmember Newland requested further information on how the stations were being renovated to house firefighters. Fire Chief Retka discussed how the fire stations were being retrofitted to accommodate overnight firefighters. He explained some of the offices at Fire Station 1 had been emptied out for sleeping quarters and the same thing would be done at Fire Station 3.

Councilmember Massoglia reported he had a good meeting with Fire Chief Retka. He understood calls for both police and fire were on the rise, and he supported the council having a further discussion regarding a staffing study for public safety. He supported the council making data driven decisions when it comes to police and fire.

Councilmember Fleming thanked Fire Chief Retka for meeting with her. She also supported the council making data driven decisions for police and fire. She explained she supported the SAFER grant moving forward. She appreciated how response times have improved after moving to the duty crew model.

Mayor Pro Tem Robertson discussed on how staffing levels and budgetary constraints were impacting public safety responders' in all communities.

Council supported the SAFER grant moving forward as proposed.

**3.5.** 2024-190 Wetland Bank Credit EDA Reimbursement
*Sponsors: Jason Zimmerman, Finance Director*

Mr. Zimmerman stated Minnesota's wetland banking program includes both private and state-sponsored wetland banks which have "credits" that are used to offset (mitigate) authorized wetland impacts.  In 2015, the Blaine Economic Development Authority (EDA) established a wetland bank through the restoration of the Blaine Wetland Sanctuary. Concurrently, the City of Blaine also established a separate wetland bank. Each bank was independently operated and had different purposes for the use of proceeds generated from the sale of credits.  Wetland banking is a way to offset the ecological loss of development projects by mitigating wetland losses through the creation, preservation and restoration of wetlands elsewhere. The goal is to protect and restore the ecological functions of the landscape, reduce the impact of development, and account for inevitable wetland losses resulting from development. Like a commercial banker has cash as an asset that it can loan to customers, a wetland bank creates wetland mitigation credits that it can eventually sell to developers who need to purchase credits to offset wetland fill that occurs with development. Generally, these purchasers of mitigation credits are individuals or entities undertaking development projects.

Mr. Zimmerman explained the EDA has sold credits to assist in 23 different development projects in the City where developers needed to fill wetland areas on their site. The overall value for projects that the EDA has sold credits for exceeds $100M. The sale of credits has generated over $2,500,000 for the EDA, and those revenues have been used for general economic development activities. On January 18, 2018, the EDA Board authorized the loan of 14 credits to the City to facilitate a request from the Minnesota Board of Water and Soil Resources (BWSR) acting as the agent for the Minnesota Department of Transportation (MnDOT) to purchase wetland credits for mitigation of various state roadway projects in the region. The terms of the purchase included each credit being valued at $1.25 per square foot of wetland fill or $54,450 per credit for a total of or $762,300, which was lower than the standard market rate at the time of $1.80-$2.00 per square foot. The money from the sale to BWSR was transferred to the City's Open Space Development Fund to offset maintenance and future improvement costs within the Blaine Wetland Sanctuary. At the time of the sale, there were approximately 42 credits remaining in the EDA Wetland Bank.

Mr. Zimmerman reported the EDA entered into the agreement to sell the wetland credits based on the understanding that the City would hold 14 acres of credits created from the Site 7 wetland bank, located in the Wetland Sanctuary, and those credits would be allocated to the EDA once the City's wetland bank was permitted. Since the transfer of credits in 2018, the EDA board has authorized multiple sales, including one on August 7, 2023, which sold the final 8.0716 acres of EDA wetland credits to Park Construction to aid in the relocation of their corporate headquarters to Blaine at 10101 Naples Street. Funds generated by the sale of credits have been used for various initiatives, including property acquisition to support the 105$^{th}$ Avenue Redevelopment project and to provide financial assistance to Pinpoint Development for extraordinary development costs associated with the Southside Entertainment District at the southwest corner of 105$^{th}$ Avenue and Raddison Road.

Mr. Zimmerman commented the Site 7 wetland bank has partially materialized, with 33.78 credits having been sold. The restoration project was structured to release relatively small credits as initial restoration milestones are met, with the final deposit of 20 credits provided in a lump sum, which was intended to satisfy the loan with the EDA. City staff, in conjunction with the Natural Resources and Conservation Board are currently working through solicitations to a Request for Proposals for services to continue the restoration process and extend the City's trail system from the boardwalk at the Wetland Sanctuary to North Oaks West Park and the North Meadows development. While Site 7 has 5.95 credits available for sale, current estimates indicate a potential for 47.28 additional wetland credits, pending the level of success of future restoration efforts. The sale of Site 7 wetland credits, as well as the proceeds from the 2018 sale have been deposited into the City's Open Space Development Fund. The Open Space Development Fund also receives 35% of all Park Dedication fees, with the other 65% directed to the Park Development Fund. He shared the Open Space Development Fund's year-end cash and fund balance for the three most recently completed fiscal periods. Mr. Zimmerman reported as of May 30, 2024, the EDA operating and capital funds have a negative cash balance of approximately $(14,000). He outlined the significant factors and considerations impacting the financial position then stated to fund the existing obligations of the EDA, the existing loan of wetland credits the City owes could be amended and satisfied by conveying funding in lieu of the physical credits. The current market rate for wetland credits is approximately $2.50 per square foot of wetland fill, or $108,900 per credit. Using existing market conditions, $1,524,600 is the estimated total value of the 14 credits.

Councilmember Massoglia asked what other options were available to the council. He questioned if funds could be loaned from another fund until the credits from the wetland bank come in. Mr. Zimmerman stated the capital improvements fund has $7.2 million but the ordinance surrounding this fund ensures the balance does not drop below $5 million. He indicated there would be funds available from this fund if six votes from the council were received. He reported most cities do not have rainy day funds.

Mayor Pro Tem Robertson clarified the EDA needs to be paid back. She asked if the city had plans for the open space fund. Mr. Zimmerman stated it was his understanding when this initially happened the open space fund did not have liquidity or cash on hand. He understood the final wetland credits being released would be remitted back to the EDA from a cash position. Community Development Director Thorvig explained the city would be able to retain those 14 credits and sell them in the future noting the market rate for the wetland credits would be higher than what it was today. Senior Parks and Recreation Manager Krieger discussed how the wetland credits from Site 7 could not be established until the wetland credits were refunded.

Councilmember Larson asked if the city had other wetland credits that could be generated.

Mayor Pro Tem Robertson commented on the specifics that have to be met in order to generate wetland credits. She indicated the wetlands then have to be maintained long term. She stated she supported the open space fund paying back the EDA for the 14 credits at market rate. Mr. Zimmerman stated he would bring forward a resolution to memorialize this payment.

Council consensus was to support the open space fund paying back the EDA for the 14 credits at market rate.

**3.6.** 2024-195 Boards and Commissions - Work Plans and Appointment Process
*Sponsors: Cathy Sorensen, City Clerk*

City Clerk Sorensen commented on the work plans and focus for each of the city's boards and commissions. She stated council requested the adopted council policy for board/commission process and structure be reviewed for possible amendments regarding appointments. Currently, appointments are made annually for up to two 3-year terms based on balanced ward representation where possible. The policy also states that council will determine the candidate review/interview process each cycle in order to take into consideration the number of vacancies, reappointment, and applications received. The council is asked to share input on alternatives to the current process and provide staff direction prior to the next appointment cycle. Staff requested council direction on the work plans and any potential amendments to the current council policy regarding boards and commissions.

Councilmember Massoglia commented on the number of complaints the city received regarding traffic. He questioned why the traffic commission was not looking into these complaints. He stated he would like to see the traffic commission begin reviewing these matters or that the group be disbanded. Ms. Wolfe explained she has heard this many times in the last four and a half years and staff has revisited this issue. She stated she heard the frustration on this topic and understood concerns continue to resurface. She understood traffic was an important topic, but noted there was a lot of science and theory involved with traffic decisions. She commented on how complaints were first addressed by engineering and the police department. She reported many complaints are addressed by staff before needed to be reviewed by the Traffic Commission. Captain Clark reported the vast majority of the complaints he received were about traffic. He commented on the speed studies that were completed by the police department and engineering staff. He explained the vast majority of the studies show that speed was not a problem and that for those who were speeding, they lived in the neighborhood.

Mr. Schluender discussed how installing stop signs at every intersection would lead to non-compliance and erratic driving from drivers. He commented on how staff addressed traffic complaints and he appreciated the process that was currently in place to address concerns. He anticipated the traffic commission was frustrated because they were not meeting regularly, but this meant traffic issues were being solved by staff prior to requiring larger neighborhood meetings.

Mayor Pro Tem Robertson explained the traffic commission exists because there was a fatality on 119th Avenue in 2018. She reported the response from the council at that time, was to form the traffic commission to ease the angst in the community. She appreciated how well engineering staff and the police department addressed traffic concerns from the public. She indicated she did not want to devalue the volunteer efforts of the community, and she understood there were knowledgeable individuals serving on the traffic commission. Ms. Wolfe explained when a tragedy occurs, there would be grief stricken and angry residents that would be fixated on a solution and most times this would revolve around stop signs. Ms. Sorensen stated per the direction of the council, the traffic commission would meet quarterly unless a need were to arise.

Councilmember Newland stated he believed the mission of the traffic commission had been completed and explained the police department now has a traffic unit, which now addressed many of the city's traffic concerns. He suggested the traffic commission meet twice a year instead of quarterly in order to receive feedback.

Councilmember Massoglia supported the traffic commission being devolved so as not to waste the members' time.

Councilmember Newland indicated the members of the traffic commission could be asked to work collaboratively on the police advisory commission.

Mayor Pro Tem Robertson stated she could support the traffic commission remaining in place in order to receive updates several times per year. She suggested the council hold a joint meeting with the traffic commission before making a decision about the board's future.

Councilmember Fleming explained she did not understand the purpose of the traffic commission and why they should continue to meet to receive updates.

Mayor Pro Tem Robertson stated she would like to have a respectful conversation with the members of the traffic commission before the group is dissolved.

Councilmember Newland indicated the benefit of having the traffic commission in place was to show the city valued and cared about traffic and that there was a place for residents to go when they had comments or concerns regarding traffic. He supported the city council holding a joint meeting with the traffic commission in order to gain their feedback. Ms. Wolfe stated this was done several years ago and to the best of her recollection, some of the members wanted to continue to meet. Mr. Schluender reported this was the case, noting the traffic commission wanted to be involved in TH65 and county road projects, however this was not part of their guide or mission. He stated it was hard to generate topics or create something to bring them in to discuss on a monthly basis.

Councilmember Larson asked if the traffic commission was viewed as a valuable asset for the community or was it taking away too much staff time. Mr. Schluender discussed how staff and the police department were able to address many of the complaints that were received without having to prepare for and hold a commission meeting.

Mayor Pro Tem Robertson stated she did not want to squander staff time and would support the Mayor sending a letter or communicating with the traffic commission. Ms. Wolfe explained staff could take in all of these comments and work to consider a graceful transition for this commission. In addition, goals for community engagement could be considered.

Ms. Sorensen asked how the council wanted to proceed with the NRCB and park commission.

Councilmember Massoglia supported the two groups merging, considering the overlap between these commissions. In addition, he supported adding members from the Veterans Memorial Park Board to this commission. He stated this would provide valuable oversight for the Veterans Memorial Park.

Mayor Pro Tem Robertson commented on the unique wetland restoration related processes that had to be followed and stated the NRCB had several great subject matter experts on the board. She understood change was difficult and suggested a broader conversation be had before merging these two groups with the Veterans Memorial Park Board. Mr. Krieger explained staff met with the Veterans Memorial Board to try and get an agreement signed, noting staff was trying to get on the same page with this organization.

Councilmember Newland stated the NRCB was a board that has accomplished its goals and should be morphed into something different that has yet to be defined. Ms. Wolfe explained one option for the council to consider would be to create a "Friends of..." type organization to allow NRCB board members to continue to serve the community.

Councilmember Massoglia asked if the council supported merging the NRCB and park board.

Councilmember Newland suggested an 18 month timeline be created for merging the NRCB and park board. Mr. Krieger commented on how the NRCB does not have maintenance funding at this time, which would have to be addressed going forward. He agreed that merging these two groups made sense.

Ms. Sorensen requested feedback on how the council wanted to proceed with commission member applications and appointments.

Mayor Pro Tem Robertson recommended this topic be readdressed at a future meeting when the mayor is in attendance.

Councilmember Larson stated she was good with the manner in which appointments were made this year.

Council consensus was to continue with the current appointment process as outlined by policy.

**3.7.** 2024-222 North Metro TV (NMTV) - Merger Discussion Update
*Sponsors: Michelle Wolfe, City Manager*

Ms. Wolfe stated the City Coucil previously discussed this topic and authorized a letter to be sent to CCX TV, requesting the opportunity to explore the option of merging cable commissions. CCX TV responded that they would be open to such a discussion. North Metro Cable Commission has had discussions about this topic, with a recent vote resulting in a tie. The commission will be discussing the topic again this month. Councilmember Massoglia is Blaine's representative on the Commission, and would like the opportunity to update the council on the status of these discussions.

Ms. Wolfe explained Councilmember Massoglia has proposed exploring a merger with Northwest Suburbs Cable Commission/CCX. In a conversation with their Executive Director, it was indicated that NWSCCC/CCX would consider and discuss this concept once approached by a city or entity wishing to engage in conversation about joining or merging. If the parties are interested in entering discussion, due diligence would be conducted. This due diligence would include an analysis of the impact of a merger, including pros and cons and how operational differences between the two organizations would be addressed. Additional options could be explored if the above merger idea is not feasible. For example, consideration could be given to filling the Executive Director position by hiring from within and not replacing the backfill position, resulting a cost savings. In addition, there are individual cities near the North Metro TV area, and they could be approached to join

NMTV. Work could also be done to identify any other commissions for a possible merger.

Councilmember Massoglia discussed a merger with CCX noting the council was generally favorable of exploring the option. He was discouraged by the broadband bill that had been proposed by the legislature. He commented Lino Lakes and Lexington are semi-favorable of exploring options and other cities were not. He suggested he and the city manager have a discussion with CCX to see what a merger with them would look like just for Blaine.

Councilmember Newland commented on how cable TV plays an important role in government given the fact not everyone can attend every city meeting. He anticipated there was an uptick in viewership given how busy residents were this time of year. He believed the streaming services provided a valuable service to residents. He was of the opinion the council owed its residents to explore what makes the most sense to continue these services.

Mayor Pro Tem Robertson agreed there was a value to cable services. She commented on how Blaine has a large presence at North Metro TV, but anticipated this would not be the case with CCX as Blaine would now be competing with larger communities. She encouraged the city to proceed with caution when considering this merger, as it could be viewed as being combative given the fact North Metro TV was located in Blaine. She asked why Councilmember Massoglia was interested in merging with CCX.

Councilmember Massoglia stated this was primarily a financial matter, that he would like to combine resources with larger communities. He noted North Metro TV still had an open executive director position. He explained he was hoping to gain support from the council to hold an exploratory meeting with CCX. He noted CCX was interested.

Councilmember Fleming indicated she would want to understand how North Metro TV would be impacted if the city of Blaine were to pull out. In addition, she wanted to understand what the benefits would be for Blaine residents if the city were to merge with CCX.

Councilmember Massoglia stated he could look into this further if the council supported him meeting with CCX.

Councilmember Fleming explained she supported Councilmember Massoglia holding this meeting.

Councilmember Larson agreed, noting she could support an exploratory conversation.

Council consensus was to support staff and Councilmember Massoglia holding an exploratory conversation with CCX.

**3.8.** 2024-223 City Manager's Update and Preliminary Financial Report Follow-UP
*Sponsors: Michelle Wolfe, City Manager*

Ms. Wolfe confirmed council had no further questions on the preliminary financial report presented at the last workshop then requested the council include her in any requests sent to department heads to ensure efficiencies in response to questions.

## 4. Other Business

None.

## 5. Adjournment

**Signed by** ______________________________
Tim Sanders, Mayor

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

The workshop was adjourned at 8:08PM.