



City of Blaine

City Council Workshop

June 9, 2025 | 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 Jess Robertson, Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, and Tom Newland.

ABSENT: Mayor Tim Sanders.

Quorum Present.

ALSO PRESENT: Acting City Manager Erik Thorvig; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; Deputy Public Works Director Jason Grode; Accounting Manager Haley Chapman; Finance Analyst Nikki Beckers; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. New Business

3.1. 2025-135 Council Requested Items for Discussion
Sponsors: Michelle Wolfe, City Manager

Acting City Manager Thorvig stated Councilmember Larson is proposing that the city consider an ordinance and/or signage prohibiting women from being topless at Lakeside Commons Beach in response to the recent Minnesota Supreme Court ruling.

Councilmember Larson explained the Minnesota Supreme Court has stated being topless and being female was now allowed in public, so long as the female was not engaged in a lewd act. She reported a resident contacted her asking if the city would have signs posted at the beach that required females to wear a top. She indicated she viewed this as a slippery slope that she did not want to see the city go down. She requested the city council consider passing an ordinance that would require women to wear a top at the beach and have a policy in place. She indicated she was not bringing this item forward to make matters more difficult for the police department, but rather she wanted to protect the children visiting the beach.

Safety Services Director/Police Chief Podany discussed the legal issues surrounding this matter. He shared a case that occurred in Rochester with a female who was topless and known to officers who was arrested for indecent exposure and found to have cocaine in her possession. He reported the female challenged the arrest which resulted in the ruling that females can be topless. He commented that while the city can enact an ordinance for the beach but that it could be challenged based on the constitutionality of this matter. He was of the opinion it would be better to have the legislature address this matter because then there would be state law for the police to enforce. He stated he has not heard of any other cities putting ordinances in place, but understood it was a risk that could be tested.

Councilmember Ford commented as this topic is being considered, perhaps an adult-only section of the beach could be created for those who would like to be topless.

Councilmember Massoglia agreed with Councilmember Larson that this could become a slippery slope. He indicated he did not want Blaine to become the test case if an ordinance was passed. He requested further comment from the city attorney on this topic.

Mayor Pro Tem Robertson stated she received numerous complaints from residents regarding the language, music and behavior of teens at the beach. She indicated these were all behaviors that law enforcement could not enforce, along with being topless.

Council consensus was to request further information from the city attorney regarding this topic.

3.2. 2025-136 Introduction and Demonstration of City Council SharePoint Site
Sponsors: Ben Hayle, Communications Manager

Communications Manager Hayle stated staff has created a SharePoint site for councilmembers where they can access relevant resources quickly. He provided the council with a demonstration on the new SharePoint site and requested feedback.

Mayor Pro Tem Robertson thanked Mr. Hayle for his presentation and encouraged the council to provide staff with feedback on SharePoint after using the new site.

3.3. 2025-137 2026 Budget - General Fund Budget and City/EDA Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman provided the council with a presentation on the initial general fund and economic development authority (EDA) budgets as submitted by department heads, as well as preliminary levy impacts, which include increased funding for capital improvements and debt service. It was noted input from this workshop will help shape additional staff efforts to produce the city manager's 2026 budget recommendation for presentation at the August 11 city council workshop. Additionally, time is available at the September 1 workshop if necessary to further review the proposal in advance of certifying the preliminary tax levy at the September 15 city council and EDA meetings. This first formal workshop regarding the 2026 operating budgets and property tax levy is intended to begin the annual process of aligning city council priorities with financial resources to provide Blaine property owners, residents, and visitors with quality city services at a responsible tax level. While this discussion is very preliminary, with many assumptions, it will help set expectations for staff and create a more efficient budgetary process while striving for outcomes that align with council goals. Based on prior year's guidance, staff have prioritized investments in capital assets that provide a broad benefit across the community, while minimizing additional ongoing operating requests.

Mr. Zimmerman commented as outlined in the budget schedule, finance department staff conducted small group discussions with all members of the council during the second week of April to provide measured assumptions that incorporate operating, capital, and debt funding strategies as outlined in previous budgetary cycles while maintaining existing staffing and service levels at anticipated 2026 costs. An outcome of these small group meetings was the creation of a policy-driven framework containing key themes, goals, and expectations for the 2026 budget and property tax levy, which was informally supported by the majority of the council at the April 14 Workshop. As currently prepared with the inclusion of departmental submissions, the 2026 city budget would require a \$55,300,000 tax levy, which represents an increase of \$5,964,000 or 12.1%. Despite this increase falling in line with the estimates presented to council during the small group discussions in early April, staff made considerable efforts to comply with established guidance. Early departmental inputs put the estimated tax levy at an increase of approximately 11.2%, but subsequent requests from the information technology division have increased the departmental requested tax levy back to the same framework discussed in small groups.

Mr. Zimmerman explained with departmental budgets submitted, the finance department will complete a comprehensive analysis reviewing discretionary/contractual spending trends, focusing on the items of most direct control. In addition to exploring cost-containment strategies, staff will isolate one-time expenditures within the operating budget that may be eligible to fund using existing reserves, rather than building into the tax levy. The finance department will then schedule meetings with department heads and the city manager to discuss their findings, prioritize spending, implement consistent practices, and ultimately identify opportunities to further reduce the tax levy. These actions will then be incorporated for review at the August 11 city council workshop. The importance of pre-funding capital expenditures was focused on. Staff commented further on the proposed general fund budget and EDA property tax levy, reviewed the budget timeline for the remainder of the summer, and requested comments or questions from the council.

Acting City Manager Thorvig commented on the new approach the finance staff had followed with the budget, noting the hope was to bring about a better end product for the

budget and tax levy.

Councilmember Larson requested further information regarding the large personnel increase. Mr. Zimmerman explained there were some general presumptions that were being made noting employees typically receive a 3% cost of living increase along with progressions in pay, which may be another 3% for non-union employees. He reported the union employees would be bargaining and staff was preparing assumptions these pay increases.

Councilmember Newland asked if the family/medical leave changes had been built into the budget. Mr. Zimmerman indicated this change had been built into the budget.

Councilmember Newland reported the city would be completing more mill and overlay projects in 2025 rather than road rebuilds. He questioned how this would impact the budget. Mr. Zimmerman indicated the capital budgeting was being reviewed by engineering at this time and further information would be provided to the council in the coming weeks.

Director of Engineering Schluender commented on the mill and overlay projects that would be completed on 89th Avenue and Lakes Parkway this summer. He noted staff has pivoted and would be presenting the council with further information on how this change would impact the budget.

Councilmember Newland asked how the city's credit rating compared to peer cities. Mr. Zimmerman explained he would investigate this further and could report back to the council.

Mayor Pro Tem Robertson reported less than 5% of cities in the nation have a AAA bond rating.

Mr. Thorvig commented on the IT expenditures that were being proposed by staff and discussed how these expenditures would have an impact on the budget and tax levy. He reported staff would be further investigating the costs and would report back to the council at a future workshop meeting.

Councilmember Larson questioned if there would be a conversation on where these extra dollars would come from. Mr. Thorvig reported the consulting and attorney fees from the incident would be covered by the city's insurance. He explained the new requests were equipment related to provide more redundancy and would have to be funded by the general fund.

Councilmember Massoglia thanked staff for the thorough presentation. He commented on how operational costs significantly increased from 2024 to 2025. He stated he understood the city was not investing in capital projects from 2009 to 2016, but he also understood the levy increases need to level off. He did not believe the path the city was on was sustainable. He stated he had a problem comparing Blaine to Minnetonka or Edina, where the median home value was quite a bit higher. He indicated Blaine's home values were more comparable to Brooklyn Park and Coon Rapids. He thanked staff for the transparency in this presentation. He reported he would have a very difficult time continuing to support double digit levy increases going forward.

Councilmember Ford commented he was uncertain how long it would take the city to recover from the mismanagement of tax dollars where the city was not properly taxing its residents. He indicated the city previously kicked the can down the road and now this council was feeling the effects. He stated 1.2% over a seven year period was not planning for the future. He reported it would take time for the city to make up the shortfall. He was of the opinion the city was not wasting money, but rather the city was running leanly. He indicated this council was now working to bring taxes into alignment with the city's vision for the community which included future investments.

Councilmember Fleming asked when the city began pre-funding. Mayor Pro Tem Robertson reported this began in 2024. She indicated the city was playing catch up and was working to properly invest in its infrastructure.

Councilmember Fleming commented the city has been issuing debt for all of its capital projects and now the city was shifted gears in order to pre-fund projects.

Councilmember Massoglia indicated the bulk of the budget was being spent on operational.

Councilmember Newland stated the numbers are what they are and the biggest concern for the city was no new revenue streams. He explained the council has discussed this issue and commented on how budget increase impacts would be lessened if the city had franchise fees or other revenue streams. He reported the city was not going to go from double digit increases to 5% increases in one year. He stated staff has noted the budget impacts will be less impactful by 2034. He indicated the cost to run the city was not becoming less expensive, rather the city should to continue to provide services that residents expect with the understanding this comes at a cost. He supported the city council pursuing new revenue streams.

Mayor Pro Tem Robertson thanked Councilmember Newland for bringing this up and stated the council has been discussing new revenue streams for the past six to nine months. She agreed the council should be discussing wetland banking and other options in order to take some pressure off the tax levy.

Mr. Zimmerman stated he has only been with the city for a couple of years, but looking back he understood the city had added a lot of staff members and labor contracts have been expensive. He understood decisions have been made in the past and commented on how in 2026 the city would pay \$3.5 million in interest on its debt.

Mr. Thorvig asked what councilmembers were hearing from constituents. Mayor Pro Tem Robertson stated she heard about park maintenance and commented on how people who were complaining enjoyed hearing factual data driven information regarding why taxes were going up.

Councilmember Ford explained there were complaints from the residents in Ward 1, but after asking what city services should be cut, the residents supported all services remaining in place and at their current levels.

Councilmember Massoglia stated he was hearing concerns regarding how the rate of the city's budget increases has not matched the rate of growth in the city. He understood the city was growing, but the rate of growth within the budget has been increasing exponentially.

Mayor Pro Tem Robertson encouraged each councilmember to put together their thoughts regarding what they were hearing from constituents and this topic could be further discussed at a future workshop meeting.

Mr. Zimmerman then provided the council with a presentation on the EDA levy.

Mr. Thorvig commented on the history of the EDA noting the projects being pursued today have benefited greatly from the sale of EDA property in the past.

Mayor Pro Tem Robertson clarified the EDA note would be paid by the developer and was not the responsibility of the city. She reiterated she would like to explore wetland banking for EDA owned property along with marketing properties that were owned by the EDA. She commented she also supported increasing the EDA levy because of how focused the city has been on strategically improving the economic development of Blaine.

Mr. Zimmerman reported staff's next step would be to take a deep dive in the budgets with a focus on controllable expenditures. He indicated one of staff's goals was to not build non-reoccurring expenditures into the budget because these expenditures were hard to pull out of the budget in the future.

Mr. Thorvig stated additional conversations would be held with department heads based on the feedback the council provided in April. He thanked the council for their continued feedback and explained it was his hope that the numbers would be lower in the coming months.

Mayor Pro Tem Robertson commented even though the city would be going through a leadership change, she appreciated how there would be stability with Mr. Thorvig stepping in to serve as the interim city manager. She reported this was her seventh budget process and noted they were never easy.

Councilmember Fleming spoke to the city council's new vision for pre-funding projects and working diligently to address outstanding debt, while also working to bring the budget down.

Councilmember Ford stated he was fighting for the city of Blaine and not any one constituent or ward. He noted he has been a union leader for 20 years and described how he would continue to work for the whole of the community.

4. Other Business

Mr. Thorvig reported City Manager Wolfe would be out of town until June 13.

Police Chief Podany provided the council with an update on the fatal shooting incident that occurred at Northtown last week.

5. Adjournment

The workshop was adjourned at 7:57PM.



Signed by

A handwritten signature in cursive script, appearing to read "Tim Sanders".

Tim Sanders, Mayor

Signed by

A handwritten signature in cursive script, appearing to read "Catherine M. Sorensen".

Catherine M. Sorensen, City Clerk