



City of Blaine

City Council Workshop

June 16, 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 Sanders at 5:34PM.

2. Roll Call

PRESENT: Mayor Tim Sanders, Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Assistant Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; Human Resources Manager Lori Carbajal; City Attorney Tom Loonan; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. New Business

3.1. 2025-135 Non-Union Compensation Plan Review

Sponsors: Scott Johnson, Director of Administrative Services, Lori Carbajal, Human Resources Manager

Human Resources Manager Carbajal stated in 2024, the city of Blaine budgeted for a compensation plan review by Gallagher to update the study implemented for the city in 2021. The 2021 process included a comprehensive review of positions and classifications,

plan structure, and market analysis. A review of plans every three to five years is recommended as a best practice to stay competitive in the market and maintain the integrity of the plan. This topic was introduced to the city council at the April 14, 2025 council workshop. Goals for having a sound and competitive compensation structure include addressing the following:

- High employee retention rates/low turnover rates
- Successful recruitment to fill vacant positions
- Compliance with Minnesota Pay Equity statute
- Decreased liability for compensation-related claims

Ms. Carbajal explained the consultant is providing a market update study and not a full classification and compensation study as was conducted in 2021. Existing council direction is to be at 50% of the market. The recommendation from the consultant includes wider pay ranges and shows the implementation cost for the compensation update is \$20,425.60 for 2025. The non-union positions that make up the implementation cost to have all non-union positions at the minimum of the market include the following: 7 Community Service Officers, 1 Police Records Technician, 1 Victims Services Specialist, 2 Fire Inspector 1 Firefighter, and 1 Utility Billing Specialist. Sufficient funds were budgeted in 2025 to cover the proposed consultant implementation cost for the compensation update. Staff commented further on the non-union compensation plan review and asked for comments or questions from the council.

Councilmember Ford asked if this study was only for non-union employees. Ms. Carbajal reported this was the case.

Katherine Thorp, Gallagher representative, reviewed the recommendations from the non-union compensation study noting the city was in a good position for being able to maintain increases and being market competitive. She explained the proposed recommendations would right-size the structure while bringing the anomalies into best practices.

Councilmember Newland inquired if the \$20,000 fee was for the study or was this the cost for alignment. Ms. Carbajal explained the \$20,000 fee was the cost to bring the specified non-union employees into market wages.

Councilmember Newland questioned if Gallagher had an idea what comparable cities were doing for wage increases in the coming year. Ms. Thorp reported the information she has was based on last year's wage information and took into consideration a 3% wage increase. She indicated the trends she was seeing was that there was a volatility in the market but things were starting to settle down. She explained many of her clients were in the same position as Blaine and only some right-sizing was required.

City Manager Wolfe reported in speaking with other city managers, she learned that councils were opting to change policies to lead the market and not be at the average. She stated she had been concerned about the results of this study she was pleased to see the city has kept pace very well and only minor corrections were needed in order to remain competitive.

Councilmember Ford indicated he supported the proposed adjustments. He stated he

would like to see a gender comparison of employee pay. Ms. Carbajal explained she had a pay equity report that she would be bringing to the city council.

Councilmember Newland asked if the comparable cities were the same 14 cities that were used for property taxes, etc. Ms. Carbajal reported this was the case. Ms. Thorp commented further on how job similarities are reviewed for the compensation study, but 80% of the job content was the same.

Councilmember Newland inquired if there were benefits Blaine offered that were not offered by other cities. Ms. Carbajal indicated she has not completed a total compensation package study.

Councilmember Newland commented \$20,000 will make up the gap for 2025. He questioned how the new plan would impact the city going forward. Ms. Carbajal reported the \$20,000 would make everyone current and then a 3% increase would be needed for 2026. She explained she would like to hear from the council what benefits could be offered to employees in order to attract and retain top talent for the city of Blaine.

Councilmember Robertson questioned how many of the city's 240 employees needed to be right-sized. Ms. Carbajal reviewed the positions that had to be right sized, which were 7 Community Service Officers, 1 Police Records Technician, 1 Victims Services Specialist, 2 Fire Inspectors, 1 Firefighter, and 1 Utility Billing Specialist.

Councilmember Robertson indicated it was hard for her to provide feedback given how total compensation information was not included within the study. She commented she could support the \$20,000 adjustment and understood this was budgeted for. She recommended additional conversations be held in order to further discuss overall pay and benefits.

Councilmember Ford agreed, noting benefits go deeper into the compensation conversation and make comparisons more difficult.

Councilmember Massoglia stated this was a good conversation that was bringing up more questions for him. He inquired how the city defined "top talent" and asked how many people have been terminated in the last five years, noting every employee typically received a 3% taxpayer-funded increase every year no matter what their performance. He wanted to see how the city was defining "top talent" and questioned how the city could be more competitive with its director positions. He reiterated that he had a lot of questions when it comes to this, but he also understood the city council did not have a role in hiring employees.

Councilmember Robertson indicated she would like more information regarding the step pay system that was being used for non-union city employees. Ms. Carbajal commented on the new pay structure and how employees would now have room to grow.

Ms. Wolfe reported staff tends to collect more benefit data for union negotiations. She stated for the past five years the holidays have been consistent across the cities. She indicated this study was not only about the market, but was studied the compensation classification system and to ensure the city was in compliance with state law.

Councilmember Massoglia asked if this study would be an ongoing cost for the city. Ms. Wolfe reported the city would be completing a pay study every three to five years in perpetuity.

Councilmember Larson inquired if the city was losing talent to other cities. Ms. Carbajal indicated this was happening and pay was something the city had to pay attention to.

Mayor Sanders explained this council was cost-conscious and would be interested in learning more about the cost/benefit analysis of improving benefits versus increasing pay.

Councilmember Larson stated she was comfortable with the \$20,000 ask with the understanding this would get the city to average pay among the 14 comparable cities.

Councilmember Robertson commented on how the majority of the city's employees were public safety focused and wanted to ensure Blaine was retaining its public safety employees. She supported the council having a broader conversation regarding public safety employees.

Councilmember Fleming stated the city has been playing catch-up and she liked the proactive measures that had been put in place to ensure this study would be completed every three to five years. She indicated this would lead to small adjustments, versus requiring large adjustments to the budget.

3.2. 2025-136 Accessory Dwelling Unit (ADU) Discussion

Sponsors: Sheila Sellman, Assistant Community Development Director

Assistant Community Development Director Sellman stated at the May 5, 2025 council meeting, the council reviewed a proposal for a detached accessory dwelling unit (ADU). The council denied the conditional use permit (CUP) application and directed staff to schedule a discussion on ADUs for an upcoming workshop. Staff provided historical information on the ADU ordinance. It was noted currently, either the primary home or the ADU must be owner-occupied and either can be rented out with a standard rental license. At the May council meeting, some councilmembers commented that the intent of the ADUs was to be intergenerational and be used by family members. If council wants to continue to allow ADUs and wants to limit the use to family members, the ordinance would need to be amended accordingly. Additional comments at the meeting were about maintaining the single-family character of the neighborhood. Council should discuss the overall intent of ADUs, if they should still be allowed, and provide direction to staff on any ordinance changes.

Councilmember Larson indicated she was open to allowing ADUs depending on the size of a property. She commented she was more supportive of an ADU on farm residential versus an R-1 lot.

Councilmember Newland supported disallowing ADUs because the units have changed so much.

Councilmember Robertson explained she could support ADUs on certain property sizes. She commented on the original intent when it came to ADUs and asked if the city could separate detached from attached ADUs. Community Development Director Thorvig reiterated that the property owner has to reside in the principal structure of ADU.

Councilmember Fleming reported she was in the middle of building an addition on her house for her father but noted she would not be adding on a kitchen, so the space could not be considered an ADU.

Councilmember Massoglia supported the city having a mechanism in place to not allow rental licensing for the home or the ADU. He indicated he could then support ADUs being considered with conditions.

Mayor Sanders indicated he could support ADUs with parameters.

Councilmember Larson commented she could support an attached ADU, but not a detached.

Councilmember Fleming stated she supported this recommendation as well. Ms. Sellman reviewed the current requirements for an attached and detached ADU.

Mayor Sanders reported he did not support any short-term rentals or Airbnb for ADUs. Mr. Thorvig indicated this would allow ADUs to be used for elderly family members or children.

Council consensus was to continue to work to allow ADUs with parameters, noting ADUs were not to be rental, including short-term rentals, and asked that staff bring this topic back to the council for further discussion at an upcoming workshop.

3.3. 2025-137 City Manager Discussion With Council
Sponsors: Michelle Wolfe, City Manager

Mayor Sanders thanked City Attorney Loonan for his dedicated service to the city over the past two years. He also thanked City Manager Wolfe for her tremendous service and strong leadership over the past five plus years with the city of Blaine. He indicated the city was in a better position and was on better path since Ms. Wolfe joined the city.

Ms. Wolfe thanked Mayor Sanders for his kind words. She reported when she gave her notice back in January, the mayor believed there would be value in an exit interview. She commented she would like to share her parting thoughts with the council, noting the theme was how the council could set themselves and the city up for success. She stated in terms of council relations, she recommended the council begin actively sharing what they are working on as an elected official. In addition, she suggested the council hold a retreat with the new city manager and Craig Rapp Consulting.

Ms. Wolfe discussed the importance of council/staff communications. She indicated she shared what she could when she could but noted it was impossible for her to share everything. She spoke to the council regarding work loads and the number of significant

projects staff were facing. She reported with the current staffing level, it would be difficult for staff to take on additional requests. She addressed the upcoming budget and noted staff was cognizant of expenditures and purchases. She reported extra care and attention was taking place. She requested the council provide staff with direction throughout the entire budget process.

Ms. Wolfe referred to her 30-, 60- and 90-day plan for the city when she started then commented further on her original areas of focus for the city. She commented on her achievements over the past five years and stated she was very proud of all that had been accomplished. She reported the city has a solid leadership team and was proud to have been a part of the city's transition from a small community to a large city.

Mayor Sanders thanked Ms. Wolfe for her comments and agreed that the city had an amazing leadership team. He was of the opinion Ms. Wolfe had left a huge impression on the city and he greatly appreciated her strong leadership. He explained he would be making a motion during the city council meeting to appoint Community Development Director Thorvig as the interim city manager.

4. Other Business

Ms. Wolfe provided the council with an update on the City of Lexington settlement, the Blaine Festival activities, Park Board vacancy applications, SAFER grants, and the mobile command vehicle status in the legislature.

The council supported staff purchasing candy for the Blaine Festival parade.

Mayor Sander reported he would be opening the city council meeting with a moment of silence to honor the loss of Representative Michelle Hortman and her husband Mark Hortman.

Police Chief Podany commented on the work conducted by the Blaine Police Department this past weekend after the tragic events that occurred in Brooklyn Park and Champlin on Saturday.

Councilmember Robertson requested Item 7.8 be postponed on the consent agenda. The council supported this suggestion.

5. Adjournment

The workshop was adjourned at 7:07PM.

Signed by

A handwritten signature in black ink, appearing to read "Tim Sanders", written over a horizontal line.

Tim Sanders, Mayor



A handwritten signature in cursive script, reading "Catherine M. Sorensen".

Signed by

Catherine M. Sorensen, City Clerk