City of Blaine
City Council Workshop

September 3, 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 5:30PM.

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: Interim City Manager/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; City Attorney Eric Larson; Senior Recreation Manager Jerome Krieger; Assistant Finance Director Kyle Stasica; Accounting Manager Haley Chapman; Public Works Supervisor - Parks - Justin Holmberg; and City Clerk Catherine Sorensen.

3. New Business

3.1. 2025-191 2024 Annual Comprehensive Financial Report (ACFR) and Audit Review
Sponsors: Jason Zimmerman, Finance Director

Assistant Finance Director Stasica stated Minnesota Statutes require that cities issue an Annual Comprehensive Financial Report (ACFR) prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with those principles by a firm of licensed certified public accountants or the Office of the State Auditor. This report consists of management's representations concerning the finances of the city. Consequently, management assumes full responsibility for the completeness and reliability of all financial information presented in this report. The city of Blaine's financial statements have been audited by Redpath and Company, Ltd. (Redpath), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessed the accounting principles used; and significant estimates made by management; and evaluated the overall financial statement presentation.

Mr. Stasica explained the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its Annual Comprehensive Financial Report for the year ended December 31, 2023. This was the 42nd consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized report. Staff believes this year's report will satisfy the requirements as well and will submit the finished Annual Comprehensive Financial Report to the GFOA for consideration.

Andy Hering, Redpath and Company, provided an overview of the 2024 audit process and results with the city council. He described how revenues and expenditures have to match up and discussed how the complex transactions for the 105th Avenue Redevelopment Project were reviewed. He reported the independent audit has issued an unmodified ("clean") opinion on the city of Blaine's financial statements for the year ended December 31, 2024. He discussed the number of funds that were in deficit at the end of 2023 and noted improvement has been made in this area. He commented on the city's escrow process and encouraged city staff to continue to work through the collectability of charges. He stated he was available for comments or questions.

Mr. Stasica explained multiple departments are involved in the escrow process and staff was reviewing all outstanding escrows to make sure the requirement for release has been met.

Councilmember Robertson welcomed Kyle Stasica to the Blaine finance department. She explained she was impressed by the great job Finance Director Zimmerman was doing based on the recommendations received from the audit, given his limited staff members.

Councilmember Massoglia commended the finance team on their tremendous efforts on behalf of the city. He requested further information regarding the city's unrestricted reserves. Finance Director Zimmerman provided the council with further information on the city's unrestricted reserve fund.

Councilmember Newland questioned how close the city was to reaching the statutory cap on the debt limit. Mr. Hering reported the city has a cushion of $321 million on the debt limit.

Councilmember Newland requested further information on how staff was addressing the outstanding escrow accounts. Mr. Zimmerman reported it took staff time to review the requirements or checklists for each escrow, whether this was a landscape, tree or driveway escrow, before funds could be released. Mr. Hering stated that in growing communities this was a very common occurrence.

Interim City Manager/Community Development Director Thorvig explained he had multiple departments working to address this matter. He stated there was a purpose for collecting the dollars and sometimes the escrow dollars have to be used to complete landscaping or other improvements. He thanked Mr. Hering for his presentation and noted the 2024 audit would be approved by the council under consent item 7.4.

3.2. 2025-192 2026-2030 Parks and Open Space Capital Improvement Plan
Sponsors: Jason Zimmerman, Finance Director

Senior Recreation Manager Krieger stated the park and open space CIP serves to establish an outline of the significant investments proposed in the city's park and recreation infrastructure. The intent is to provide a blueprint for the management, maintenance, and future enhancements of public park amenities to ensure they meet the expectations of residents and visitors. Projects are proposed based on staff assessment of facilities and infrastructure, the parks master plan, and input from the community, city council, park board, and natural resources conservation board. There are three categories and funds under which park projects can be classified:

- Neighborhood Park Improvements Fund – park and trail improvements
- Parks Development Fund – development of new parks and improvements to existing regional/community parks
- Open Space Fund – improvement and maintenance of the city's open spaces and trail system

Mr. Krieger reviewed improvements that have been made to the city's community parks in the last few years and discussed the park improvement projects that would be completed in years 2026 through 2030.

Mr. Zimmerman provided further comment on the predicted revenues for 2026 and summarized the balances within the neighborhood parks improvement fund, parks development fund and open space fund.

Mr. Thorvig explained that over the last several years, the city has had an excess of lots that were platted which brought in an abundance of park dedication funds. He stated this backlog of existing lots were being built on this year, but no new developments were brought forward, which led to the park dedication funds being depleted. He indicated staff hopes to see the park dedication fund bounce back next year when new residential developments are brought forward. He stated he was also in favor of the city council considering an adjustment to the park dedication fees.

Councilmember Larson asked how the city would fund park improvements after the city was fully built out. Mr. Thorvig reported the city would have to look at new funding sources, franchise fees or the levy.

Councilmember Robertson supported the council having a discussion on how to fund its parks in the future. She stated costs were not going to go down, but rather costs would continue to rise.

Mr. Zimmerman discussed the history of the city's wetland credit sales noting these dollars could assist the city with funding future park improvements. He commented on how city staff was working to reestablish this program, but did not anticipate any sales would occur until 2027.

Councilmember Robertson asked why no wetland credits were sold in recent years. Director of Engineering Schluender explained the city had one-tenth of an acre available for sale, noting staff would be coming forward with a presentation on what occurred with the wetland bank. He reported the city had a new consultant that would be working with staff to bring the wetland credits back online.

Councilmember Robertson supported the council having further discussion regarding the city's wetland bank in addition to the creation of the EDA wetland bank. Mr. Thorvig reported the EDA wetland bank topic will be discussed by the council in November.

Mr. Krieger provided the council with further information regarding the proposed costs for the trail segments and connections in the Blaine Wetland Sanctuary. He estimated the three neighborhood connections would cost $4,850,000. He indicated the city has $1 million set aside in 2025 and $3,850,000 in 2026 for design and construction of the trails.

Mr. Schluender commented on the cost savings the city could see if a wood-decked trail were pursued instead of the Permatrack trail. He reported the wood-decked trail would not allow for emergency vehicle access.

Mr. Zimmerman discussed the health of the wetland banking funds noting the funds should improve in the next two years.

Mr. Thorvig reported this project was brought to the council now because these projects were completed in the winter months which meant the project would have to be bid in the coming months. He stated this would be an expensive project that would draw down the balance of the wetland fund.

Councilmember Larson indicated she was very excited to move forward with this project. She stated she supported the city moving forward with the Permatrack option.

Mayor Sanders asked what the life expectancy was of the concrete trail option versus the wood trail option. Mr. Krieger stated the concrete trail option was estimated to last 25 to 30 years.

Councilmember Massoglia indicated he did not support the city moving forward with this project until the council figures out what was going on with the wetland credits. He did not support the city drawing down this account to a few hundred thousand dollars until the council has more information. He stated he did not understand why the city has not been doing the maintenance on Site 7, since the city has been paying consultants and staff to oversee this project on a yearly basis. He supported the city waiting to do this project until future wetland credits were in place.

Councilmember Newland inquired if the load-bearing difference on the trail was the difference between getting an ATV on the trail versus getting a squad car on the trail. Safety Services Director/Police Chief Podany stated a UTV typically weighs 2,000 pounds, plus the weight of the rider and any equipment that would be required, which would be close to 2,500 pounds. He reported he has looked into swamp riders, but they cost $70,000+ and likely not see a lot of use. He indicated if a fire were to occur within the wetland sanctuary it would have to burn and protection would be offered near the houses.

Councilmember Fleming supported the city doing the trail segments correctly the first time. She asked how long it would take the city to resolve the wetland credit situation. Mr. Schluender commented on the wetland banking process and discussed when the remaining 25+ acres of wetland credits would be brought online. He stated the wetland sanctuary has not reacted properly to the treatments the previous consultant used. He noted a new consultant has been brought online to get the wetland sanctuary reacting properly. Mr. Thorvig reported the remaining value of the wetland credits was $2.7 million.

Councilmember Robertson noted she was on the fence when it came to moving this project forward and supported further discussing this topic at the next workshop meeting.

After discussion regarding costs and the need to continue the wetland banking credits, council asked that this item be brought back to the council at the September 15 workshop.

3.3. 2025-193 Beach Ordinance Review
Sponsors: Brian Podany, Safety Services Manager/Police Chief

Police Chief Podany stated the Minnesota Supreme Court recently ruled that a woman exposing her breasts in public does not automatically violate state indecent exposure laws. At a previous workshop, potential ordinance or park rules changes were discussed as a result of the court case. After researching this ruling, the city attorney concluded that the court's ruling did allow for a potential ordinance restricting the activity. Discussion was held with council to ascertain support for an ordinance to address this.

Mr. Thorvig clarified staff learned that the city of Edina already had an ordinance in place to address this concern.

Councilmember Larson reported she supported the ordinance being brought forward.

Councilmember Massoglia indicated he supported an ordinance coming forward as well and thanked staff for investigating this matter further. He was pleased to learn that Blaine would not be the only city with this type of ordinance in place.

Councilmember Newland supported the city having a proactive ordinance in place. Police Chief Podany thanked the council for their support and noted he would be more comfortable having an ordinance in place for his officers.

Council consensus was to support staff bringing forward an ordinance for consideration.

4. Other Business

None.

5. Adjournment

Signed by ______________________________
Tim Sanders, Mayor

Signed by ______________________________
Catherine M. Sorensen, City Clerk

The workshop was adjourned at 6:59PM.