City of Blaine
City Council Workshop

December 8, 2025 | 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. Roll Call

3. New Business

3.1. 2025-269 Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update
Sponsors: Scott Johnson, Director of Administrative Services

3.2. 2025-270 2026 State Legislative Agenda
Sponsors: Erik Thorvig, City Manager

3.3. 2025-271 Lexington Water Rates Discussion
Sponsors: Erik Thorvig, City Manager

3.4. 2025-272 Council Subcommittee Updates
Sponsors: Erik Thorvig, City Manager

3.5. 2025-273 2026 Budget and Levy
Sponsors: Erik Thorvig, City Manager

4. Other Business

5. Adjournment

City of Blaine
Staff Report

File Number: 2025-269

Agenda Date	Status
December 8, 2025	
In Control	**File Type**
City Council	Workshop Item

New Business - Scott Johnson, Director of Administrative Services

Agenda Item # 3.1

Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update

Background

Labor Attorney Lida Bannink will be present at the Closed Session to provide an update on labor negotiations with the Police Officers, Public Works, and Police Sergeant Unions.

Staff Recommendation

Questions for Council

Attachment List

None

City of Blaine
Staff Report

File Number: 2025-270

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New Business - Erik Thorvig, City Manager

Agenda Item # 3.2

2026 State Legislative Agenda

Background

Annually, the city council reviews upcoming priorities for the next state legislative session. A document has been prepared by department heads and management staff identifying priorities. This document is more condensed and concise compared to previous years at the recommendation of the city's lobbyist. The council is asked to review the document and provide feedback on anything to remove, add or change. The attached document can be provided to state elected officials to clearly identify the priorities of the city.

The document does not yet provide information on the city's position related to manufactured home park legislation. Councilmembers have either met individually or attended a town hall forum with Blaine manufactured home park residents related to the proposed Manufactured Home Park Resident Bill of Rights. A letter and information on the bill is attached. In addition to the general legislative priorities, the council should also discuss what position, if any, to take on this bill.

Staff Recommendation

Questions for Council

Provide input and feedback for the city's 2026 state legislative agenda.

Attachment List

1. 2026 State Legislative Priorities
2. Manufactured Home Park Resident Request

2026
Legislative Program

BlaineMN.gov
Live | Work | Grow

Focus Priorities

105th Avenue Redevelopment Area/Sports Entertainment District

- Support legislation to issue a social district license. (HF388)
- Support legislation to impose special sales tax district. (HF387)

Transportation

- Support legislation to appropriate $7M to the city and county for intersection improvements along TH65. (HF2593)

Housing

- Support legislation to appropriate funds for the manufactured home park infrastructure grants and loans. (HF1417)
- Oppose uniform zoning requirements and mandates related to reduction in development and building fees.

Miscellaneous

- Monitor legislative proposals that challenge local control.
- Monitor legislative proposals that contain unfunded mandates.
- Monitor legislative proposals that support mandated fee reductions.
- Regional emergency base and new fire station
  - As we plan for a new fire station, we are exploring the opportunity to design it as a regional asset. In addition to serving as a fire station, it could house specialized teams and resources such as a HAZMAT/Chemical Response Team and DNR Wildland Firefighting, while also providing dedicated parking and storage space.
- Digital media fee to support local community television
  - Continue to monitor LMC and MACTA activities related to modernization of revenue streams for community television and updated forms of franchise fees for broadband and streaming services.

Dear Blaine City Council Members and Mayor Sanders,

As city council members are aware, we are in a housing crisis for manufactured homeowners. Predatory private equity firms have been purchasing our parks at alarming rates, raising lot rents at unreasonable rates, taking away amenities in our parks, and implementing predatory eviction processes.

We are seniors who have worked their whole lives and are now living on social security, young couples starting families, single parents raising their kids, people living on their own trying to afford life these days, people who have moved to this country and are contributing to our communities – all trying to stay in their homes.

This team has knocked doors in every single manufactured home community in Blaine and talked to all different types of residents. Our Manufactured Home Residents Bill of Rights reflects the top concerns from those conversations, and the over 750 resident petition signatures from Blaine residents in support of the Manufactured Home Residents Bill of Rights.

Although we are aware that city council is limited as to what they can do with regard to state policy, we have several asks of the city council listed below:

- In support of our bill, we are asking city council members to join us and support us by sending letters or calls to our state elected officials;
- Attend our lobby day at the Capitol on February 18 to show support;
- Utilize the city's lobbyists to show support for our bill;
- Better enforcement of city codes and violations in our parks (i.e., storm shelters, etc.) by performing more inspections and enforcing safety matters - work to get funding for new storm shelters that accommodate the number of residents living in the park;
  Verify all Blaine parks have rental licenses to rent homes and if in violation, take appropriate city action.

We are not policy experts or lawyers. We are residents who have had to go back to work after we thought we could retire in our forever homes, who are struggling to pay off medical debt for emergency surgery, who are losing their jobs at the end of the year, who can't afford lot rent *and* necessary medication for life-threatening ailments -- organizing our neighbors because we just want to keep our homes. Your support matters and can make the difference with our state elected officials. Will you stand with us?

Sincerely,

Tami Fry & Gwen Elliott - Blaine International Village
Kris Hansen - Park of the Four Seasons
Alex Tierney - Sandpiper Bend
And the 2300+ residents we represent and have been organizing with across the 7 manufactured home communities in Blaine

Manufactured Home Residents Bill of Rights Overview: HF2381 & SF 2691

Manufactured home residents across the nation are facing unprecedented levels of threat as a result of increased out-of-state private equity and corporate ownership. Residents have been identified as a captive audience with limited options for relocation, and as a result, are being squeezed for everything they have. There are stories all across our state of residents who are one lot rent increase away from homelessness. Amidst our current housing crisis, we must act now to preserve the largest source of unsubsidized affordable housing in Minnesota.

There are ~180,000 Minnesotans living in the state's ~800 manufactured (mobile) home communities (MHCs). Many residents are living on fixed incomes and live in or around the poverty line, but many MHC residents represent the diversity of Minnesota across class, race, generation, culture, and geography. Ninety percent (90%) of Minnesotans who live in an MHC own their home and rent the land their home sits on. The "halfway homeownership" structure of MHCs makes ownership of a manufactured home unnecessarily risky and unstable for low-income homeowners in the state who face:

- Constant risk of escalating lot rents;
- Health and safety risks due to failing water/sewer systems and crumbling neighborhood infrastructure;
- Increasing risk of displacement

Over the last decade, MHCs have become prime real estate for private equity investors whose primary business model is to buy a park and seek to increase its value by raising the rent, adding fees, and cutting back on maintenance. Then they often sell it within a few years for a profit for themselves and their investors. 90% of park sales in Minnesota in 2024 were to these out of state investment groups.

The Policy

The contents of this bill reflects conversations with residents across the state, policy experts, and decisionmakers to put the safety, security, and stability of Minnesota's manufactured home residents first.

1. **Rent Increases**
   Right now, Minnesota statute declares MHC owners may raise lot rent twice in 12 months and the increase must be "reasonable," yet "reasonable" remains definitionless. In many places under private ownership, lot rent has increased at excessive rates of 10% or more, leaving people who live on fixed or low incomes financially stretched with little to no other options for housing. This bill explicitly defines "reasonable" as no more than 3% one time annually, putting lot rent increases consistent with standard cost-of-living adjustments (COLA). It also tackles excessive late fees by stating that in no case may the late fee exceed 8% of late rent payments.

2. **Resident Opportunity to Purchase (OTP)**
   The Opportunity to Purchase provision ensures that homeowners are provided an opportunity to purchase the land beneath their homes when their communities are for sale. OTP balances the property rights of two sets of owners: the homeowners and the community owners. The opportunity to purchase:
   - Only applies when the community owner has already decided to sell the community
   - Does not force community owners to sell or force homeowners to purchase the community
   - Ensures that community owners receive market price for the community
   - Brings an additional prospective buyer to the table, which enhances the owner's ability to sell the community, while providing an opportunity to preserve the community as an affordable housing resource long-term

3. **Increased Enforcement and Transparency for Residents**
   MHC residents are afforded rights under Sec 327C. However, with weak enforcement mechanisms, some residents face retaliation by management and/or owners for filing complaints about their living conditions, have received unjust eviction notices with few opportunities for recourse, or are forced to pay for services they are not getting. To ensure these rights are being properly afforded to residents in a transparent manor, we must:
   - Necessitate community owners who violate sections 327C.015 and 327C.14 be liable for 1) actual damages sustained by the resident as a result of the violation 2) injunctive relief 3) equitable relief as determined by the court and 4) in the case of a successful action, the cost of action and reasonable attorney fees as determined by the court,
   - Require community owners provide an itemized bill to residents that separately and clearly labels each service or item charged to the resident,
   - Instruct community owners offer alternative methods of rent and utility payment in addition to digital payment platforms,
   - Clarify community owners are responsible for tree care and removal and that residents are ensured swift action in the event of safety concerns;
   - And ensure community owners are responsible for the cost of repairs by utility providers and ensure the right of residents to provide access to the park to a utility provider to repair faulty or defective utility equipment.

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New Business - Erik Thorvig, City Manager

Agenda Item # 3.3

Lexington Water Rates Discussion

Background

Earlier this year, a court decision was made regarding litigation between the City of Blaine and the City of Lexington. The lawsuit was centered around the validity of a joint powers agreement (JPA) regarding respective water systems and the exchange between them. On June 10, 2025, a judge issued a final order and judgment in favor of the City of Blaine.

By this judgment the Court ordered:

1. There is no current active, valid JPA or other contractual agreement between Blaine and Lexington governing water systems or the exchange of water.
2. Blaine is the sole owner of the 16-inch water main installed pursuant to the JPA between the parties, including those portions that sit entirely within Lexington city limits.
3. Blaine has the right to access its 16-inch water main within Lexington consistent within the Lexington city limits and Lexington may not deny Blaine or it contractors right-of-way permits to access the water mains unless Blaine or its contractors have failed to comply with Lexington Ordinance Chapter 16.
4. Blaine has the right to separate, meter, and/or close the interconnection points between its water system and the Lexington water system.

Lexington owns and operates one municipal well which has had occurrences where gross alpha radiation has been detected in excess of the maximum contaminant level set by the Minnesota Department of Health. This factor, in conjunction with the judgment, results in the need for the City of Lexington to either upgrade its existing water system to deal with the gross alpha issue or purchase bulk water from the City of Blaine to supply to its residents and businesses. Lexington would prefer to purchase water from the City of Blaine. Discussions occurred several months ago by the Blaine City Council, who agreed in principle to provide water to the City of Lexington.

The city attorney and staff have been preparing a draft JPA for the City of Lexington to consider. A key component to the JPA is the rate at which the City of Blaine would charge for bulk water provided to Lexington. Lexington has proposed to be charged 95% of Blaine's lowest residential tier. The proposed 2026 rate is $3.82 per 1,000 gallons. A 95% rate would be $3.62 per 1,000 gallons. Blaine staff recommends charging Lexington a bulk rate equal to 100% of the lowest Blaine residential tier. Lexington has provided Blaine with its usage for the past five years and uses between 53–64 million gallons of water annually. This equates to the following:

Proposed Lexington Rate at 95% of the lowest tier ($3.62/1000 gallons) — $191,860 —$231,680
Proposed Blaine Rate at 100% of the lowest tier ($3.82/1000 gallons) — $202,460 - $244,480

As proposed in the draft JPA, Blaine would supply bulk water to Lexington through the fifteen existing interconnection points and usage data would be collected by the City of Lexington on an individual meter basis. Lexington would be responsible for metering all water used within the City of Lexington by utilizing the existing individual service meters present on each water service connection and report the bulk usage to and pay Blaine quarterly. Lexington would be responsible for billing its individual users and addressing any complaints or concerns of those users. Blaine would have no ownership of the City of Lexington water infrastructure system nor are any capital upgrades required to the City of Blaine's system under this arrangement. Further details will be memorialized in the JPA. If the JPA is approved by both parties, this agreement would provide immediate CIP savings in the water utility of $800,000 in 2026 by not moving forward with a proposed interconnect separation project that staff has previously discussed with Council.

Council is asked to provide direction on water rates. Staff, if necessary, will bring any other components of the JPA that need Council feedback to a future workshop for discussion before finalizing the document. Once a JPA is formalized, Council approval is required.

Staff Recommendation

Questions for Council

What rate should the City of Blaine charge the City of Lexington for water usage?

Attachment List

None

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New Business - Erik Thorvig, City Manager

Agenda Item # 3.4

Council Subcommittee Updates

Background

Annually, there are mayoral appointments to external boards that city council members participate on. In an effort to inform the full council about activity on these boards, the interim city manager has asked for a brief update of three of these boards from the representative members at the workshop. The city manager envisions this being a quarterly update going forward with updates on different boards at each meeting. The council will hear updates on the following:

North Metro TV Cable Commission - Massoglia
Twin Cities Gateway- Fleming

Staff Recommendation

Receive the reports.

Questions for Council

Attachment List

None

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New Business - Erik Thorvig, City Manager

Agenda Item # 3.5

2026 Budget and Levy

Background

This item is intended to allow council to discuss any final items prior to next week's budget and levy consideration.

Staff Recommendation

Questions for Council

Attachment List

None