City of Blaine
City Council

December 1, 2025 | 7:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order by the Mayor

The meeting was called to order at 7:11PM by Mayor Sanders followed by the Pledge of Allegiance and the Roll Call.

2. Pledge of Allegiance

3. 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 Erik Thorvig; Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Assistant Finance Director Kyle Stasica; Accounting Manager Haley Chapman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; Parks and Recreation Director Jerome Krieger; City Attorney Eric Larson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

4. Awards - Presentations - Organizational Business

None.

5. Communications

City Manager Thorvig commented on the removal of Item 10.2 noting this item would be brought back to the council for further discussion at the upcoming retreat.

Councilmember Massoglia stated while he was disappointed this item was being tabled, he looked forward to the upcoming discussion.

6. Open Forum

Open Forum is an opportunity for the public to share comments, concerns, or input on other items. While open forum is not intended to provide for response or discussion opportunities, if follow-up is needed, city staff will work to contact the speaker(s) outside of the meeting to arrange for that follow-up. Each speaker will be limited to 3 minutes with a maximum of 15 minutes set aside for open forum.

Mayor Sanders opened the Open Forum at 7:13PM.

Grace Schrunk, 950 113th Avenue NE, expressed concerns about the direction taken by the city to remove a tree on her property that she didn't believe needed to be removed. She said she did not believe it was right that she was responsible for removing a tree just because her neighbor was of the opinion it may fall on his property. She also shared she took the aerial photo of the water tower that now hangs in the council chambers.

Cindy Holzinger, Blaine resident, shared concerns regarding how late the snowplowing was after the recent snow event. She indicated she did not support the city plowing all sidewalks. She had concerns regarding how much her property taxes were slated to increase, noting all of her bills were on the rise. She stated she did not support the city pursuing broadband franchise fees. She expressed concern with the number of drones she saw from her property and noted her water quality was poor.

Dean Kruchten, 3017 Aspen Lake Drive, stated he had concerns with how his property taxes were proposed to increase by nearly 30% in the coming year. He indicated the city would be pricing residents out of their homes and asked that the council consider curbing expenses.

There being no further input, Mayor Sanders closed the Open Forum at 7:25PM.

7. Approval of Consent Agenda:

All items listed under the "Consent Agenda" are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

Moved by Councilmember Newland, seconded by Councilmember Robertson, that the following items on the Consent Agenda be approved.

Motion adopted unanimously.

7.1. 2025-264 Schedule of Bills Paid
Sponsors: Jason Zimmerman, Finance Director

7.2. 2025-265 Approval of Minutes

Sponsors: *Cathy Sorensen, City Clerk*

7.3. 2025-266 Approve Lobbying Agreement with The Ferguson Group
Sponsors: *Erik Thorvig, City Manager, Scott Johnson, Director of Administrative Services*

7.4. 2025-267 Approve a Garbage Haulers License for Nitti Sanitation Inc.
Sponsors: *Cathy Sorensen, City Clerk*

8. 7:00 PM - Public Hearing and Items Published for a Certain Time

8.1. 2025-268 2026 Truth-In-Taxation Meeting
Sponsors: *Jason Zimmerman, Finance Director*

Finance Director Zimmerman stated the budgetary process began with finance department staff conducting small group discussions with all members of the council during the second week of April to provide measured assumptions that incorporated 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. These items included:

- Prioritize new funding for capital investments
- Equitable compensation for city staff
- Preserve existing complement of full-time staffing
- Sufficient resources for internal service funds
- Connect budget requests to the strategic plan
- Evaluate non-personnel related expenditures
- Leverage unrestricted reserves to fund non-reoccurring requests
- Maintain posture to incentivize development/redevelopment
- Reduce reliance on the property tax levy

Mr. Zimmerman explained the conditions outlined above were then incorporated into the messaging used to communicate expectations of staff as they entered their department's requested budgets, which were required to be approved by department heads and submitted to finance by May 9. These departmental requests were then evaluated, discussed, and further adjusted to ensure compliance with the directions provided by city council and to maintain a consistent fiscal approach city-wide. At the June 9 workshop, staff presented a revised budget that would have required a $55,300,000 tax levy, which represented an increase of $5,964,000 or 12.1 percent. 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 percent, but subsequent requests from the information technology division increased the departmental requested tax levy back to the same framework discussed in small groups.

Mr. Zimmerman reported in accordance with the state statutes, on September 3, the council voted to adopt the city manager's recommendation and set the proposed city-based total tax levy at $54,230,000, which represents an increase of $4,894,000 or 9.9 percent over 2025 values and set December 1 as the date to hold the Truth-in-Taxation meeting. As a reminder, this amount can only be reduced at the time the final levy is set per Minnesota State Statute 275.065. Upon certification to the County Auditor, the proposed levy was used to prepare the Proposed Property Tax Statement, also known as the Truth-in-Taxation (TNT) Notice. This notice is required to be mailed to property owners between November 11 and November 24 of each year and includes parcel-specific estimated property taxes payable in the following year, should each taxing jurisdiction approve their levies as proposed. Notices are provided for real and personal property, but not manufactured home property taxed as personal property, since it is assessed and taxed in the same year. Consistent with legislation enacted during the 2023 Legislative session, the 2026 Proposed Property Tax Notice is required to include a Supplemental Budget Information Form containing the overall change in levy for the county, each city, and each school district in the county to be included on the statement. These parcel-specific notices must also include the actual 2025 and proposed 2026 taxes for the county, city, school district, Metropolitan Special Taxing Districts, and other special taxing districts.

Mr. Zimmerman indicated following the adoption of the proposed levy, cities with a population over 500, counties, school districts, the Metropolitan Council, the Metropolitan Airports Commission, the Metropolitan Mosquito Control District, and any applicable regional library authority are required to conduct a public meeting between November 25 and December 30 to discuss the property tax levy and allow for public comment. The budget calendar calls for the city to conduct the Truth-in-Taxation (TNT) meeting on December 1, 2025, and adopt the final tax levy at the December 15, 2025, City Council meeting. Holding the TNT meeting on a separate night from the final tax levy adoption ensures public engagement and transparency, as this two-step process provides a crucial opportunity for residents to voice their concerns and for the City Council to consider that feedback before making a final decision.

Mr. Zimmerman stated throughout the fall, the city held several workshop meetings regarding the upcoming budget and the associated property tax levy. These discussions were open to the public and allowed for the City Council to thoroughly examine the financial needs, strategic priorities, and potential tax impacts of the proposed levy. The current presentation focuses on maintaining the initially proposed levy amount for final adoption. This indicates that, after analyzing departmental requests, revenue forecasts, capital investment needs, and long-term fiscal strategy, city leadership has concluded that the originally proposed levy amount currently remains the most appropriate figure to fund planned services and meet the community's objectives for the upcoming year. At the proposed levy amounts, the median valued residential property in Blaine is $346,000, which is an increase of 3.38 percent in value. Median valued properties will see their estimate of the city’s share of their annual property tax bill increase of $112.63 or 9.26 percent or approximately $9.39 per month. Based on the value information provided by the County

Assessor, current estimates indicate that this levy would result in an approximate tax capacity rate of 40.216 percent. He commented on the proposed levy increases for comparable cities and asked for comments or questions from the council.

Mayor Sanders opened the public hearing at 8:12PM.

Steve Mitchell, 11815 Dunkirk Circle, explained he had concerns about his property tax increase overall and encouraged the city council to be more fiscally responsible. He reported he moved to Blaine from Eagan to be closer to his grandchildren and stated the tax increases in Blaine were not reasonable.

There being no additional public input, Mayor Sanders closed the public hearing at 8:14PM.

Councilmember Robertson thanked the members of the public that addressed the council regarding the budget and tax levy. She clarified not all seven members of the city council support the proposed tax levy. She indicated she was working diligently to exercise the most fiscal responsibility as possible. She reported there were some expenditures that were out of the council's control, such as the paid family medical leave, which would cost the city $1.7 million. She discussed how the council was working to reduce its reliance on bonding but rather was working to pre-fund debt. She explained over 70% of the city's budget covered public safety and public works. She indicated the council was doing its very best when it comes to keeping costs down and was working to move through the next few years to pay off debt. She noted her property taxes have also doubled since she moved into the community. She thanked the finance team for their patience with her. She encouraged the public to be patient with the city because change takes time.

Councilmember Massoglia thanked staff for the detailed presentation. He indicated he did not support the budget last year. He was of the opinion the council had to take a really hard look at the approach it was taking with the budget in order to level out spending. He thanked City Manager Thorvig and Finance Director Zimmerman for working to reduce the levy from 12% to 9.9%. He supported the council considering what non-essential city services can be cut from the budget. He discussed how Blaine's tax levy had increased 145% in 10 years. He said he did not believe this was sustainable, nor was it responsible. He thanked staff for all of their efforts to get the tax levy below 10% but said it was his hope the council could have further discussions in the coming year in order to make some hard decisions and responsible cuts.

Councilmember Newland indicated the council takes the budget process very seriously. He explained the council first discussed the budget in February and has been reviewing this topic every month since that time. He stated there was a lot of give and take in order to get to the end result. He commented that the proposed increase for homeowners may not always be an increase. He reported the council works on the budget most of the year. He discussed how Blaine does not have any additional income sources such as LGA, municipal liquor or franchise fees but rather has to cover its entire budget through property taxes. He reported the council was discussing how to bring in new revenue streams to assist with bringing relief to taxpayers. He indicated the council was working to make positive changes when it comes to debt and debt financing.

Councilmember Ford stated the council does not like raising taxes but works to keep taxes at a manageable level. He indicated the councilmembers pay taxes as well. He explained the city could not run like a business because the city could not make a profit, nor does the city have shareholders.

Councilmember Larson discussed how the disparity calculations and home values changed each and every year, which had an impact on a homeowners' property taxes. She indicated she voted no on the budget and tax levy last year and was struggling with the proposed levy for 2026.

Mayor Sanders thanked the finance team for all of their work on the truth in taxation presentation. He commented on how the city relies heavily on property taxes from residential homes and noted the council was working to bring in new commercial developments to assist with creating more balance in property taxes. He appreciated how the council had a plan in place when it comes to outside debt and noted the council was also looking at new revenue streams to assist with reducing levy increases.

9. Development Business

9.1. RES 25-187 Resolution Granting a Twelve-Month Extension for Recording the Final Plat of McNeil Addition Creating Two Lots at 4324 117th Avenue NE. Dave McNeil (Case File No. 25-0001/ACK)

Sponsors: Sheila Sellman, Community Development Director

Community Development Director Sellman stated the applicant is requesting final plat approval to subdivide 1.39 acres into two lots. The applicant is working towards securing financing to complete the platting process.The final plat is consistent with the approved preliminary plat.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to adopt a Resolution Granting a Twelve-Month Extension for Recording the Final Plat of McNeil Addition Creating Two Lots at 4324 117th Avenue NE.

Motion adopted unanimously.

9.2. ORD 25-2589 First Reading

Ordinance Approving a Rezoning from County Road 10 Mixed Use District (MU) to Development Flex (DF) at 9011 and 9021 University Avenue NE and 120 90th Lane NE. Ranger Development (Northtown Villas) (Case File No. 25-0031/SAS)

Sponsors: Sheila Sellman, Community Development Director

Ms. Sellman requested the council hold the first reading of rezoning request from County Road 10 Mixed Use District (MU) to Development Flex (DF) for an infill housing development of twin homes and detached villas.

Declared by Mayor Sanders that Ordinance No. 25-2589, "Ordinance Approving a Rezoning from County Road 10 Mixed Use District (MU) to Development Flex (DF) at 9011 and 9021 University Avenue NE and 120 90th Lane NE," be introduced and placed on file for second reading at the December 15, 2025 Council meeting.

9.3. ORD 25-2594 First Reading

Ordinance Approving a Rezoning from County Road 10 Mixed Use (MU) to Single Family Residential (R-1) at 8550 Van Buren Street NE. City of Blaine (Case File No. 25-0046)

Sponsors: Sheila Sellman, Community Development Director

Ms. Sellman stated the EDA purchased 8850 Van Buren Street in 2019 and is now proposing rezoning to R-1 to allow for sale of the property for construction of a single family home. The R-1 zoning is consistent with adjacent properties and R-1 setbacks and other performance standards are able to be met on the subject property.

Declared by Mayor Sanders that Ordinance No. 25-2594, "Ordinance Approving a Rezoning from County Road 10 Mixed Use (MU) to Single Family Residential (R-1) at 8550 Van Buren Street NE," be introduced and placed on file for second reading at the December 15, 2025 Council meeting.

9.4. ORD 25-2592 First Reading

Ordinance Approving a Rezoning from Community Commercial (B-2) to Light Industrial (I-1) at 8501 Old West 35W Service Drive NE. Nova Real Estate (Case File No. 25-0047/SLK)

Sponsors: Sheila Sellman, Community Development Director

Ms. Sellman stated the applicant is requesting a rezoning from Community Commercial (B-2) to Light Industrial (I-1) to allow a light industrial building.

Declared by Mayor Sanders that Ordinance No. 25-2592, "Ordinance Approving a Rezoning from Community Commercial (B-2) to Light Industrial (I-1) at 8501 Old West 35W Service Drive NE," be introduced and placed on file for second reading at the December 15, 2025 Council meeting.

9.5. ORD 25-2593 First Reading

Ordinance Approving Annual Revisions to the Blaine Zoning Ordinance. City of Blaine (Case File No. 25-0044/ACK)

Sponsors: Sheila Sellman, Community Development Director

Ms. Sellman requested the council introduce an ordinance for the annual revisions to the Blaine zoning ordinance.

Declared by Mayor Sanders that Ordinance No. 25-2593, "Ordinance Approving Annual

Revisions to the Blaine Zoning Ordinance. City of Blaine," be introduced and placed on file for second reading at the December 15, 2025 Council meeting.

10. Administration

10.1. RES 25-178 Resolution to Receive Feasibility Report, Order Improvements and Order Preparation of Plans & Specifications for the 2026 Street Rehabilitation Project, Improvement Project No. T2605

Sponsors: Daniel Schluender, Director of Engineering

Director of Engineering Schluender stated council is asked to receive the feasibility report for the 2025 Southwest Area Street Reconstructions, Improvement Project No. 25-06 and order preparation of plans and specifications.The proposed project would rehabilitate South Lake Blvd NE, from Lakes Parkway at the west end and Lakes Parkway at the east end, using a 2-inch bituminous mill and overlay. The project will also include a chip seal on the milled surface, prior to placement of the bituminous overlay. The purpose of the chip seal underneath the bituminous overlay is to extend the life of the mill and overlay and delay reflective cracking of the pavement. Additional proposed improvements include replacement of damaged sections of the existing curb and gutter, damaged sections of existing valley gutters, and sections of the existing curb and gutter that do not drain properly, as determined through field inspection. The estimated cost of these proposed improvements is $934,949.94. $900,000 is proposed to be paid from Municipal State Aid funds, $34,949.94 is proposed to be paid from the City's Pavement Management Program Fund. The proposed project is necessary, cost-effective, and feasible.

Moved by Councilmember Massoglia, seconded by Councilmember Larson, to adopt a Resolution to Receive Feasibility Report, Order Improvements and Order Preparation of Plans & Specifications for the 2026 Street Rehabilitation Project, Improvement Project No. T2605.

Motion adopted 6-1 (Councilmember Robertson opposed).

11. Other Business

None.

12. Adjournment

Moved by Councilmember Newland, seconded by Councilmember Robertson, to adjourn the meeting at 8:56PM.

Motion adopted unanimously.

Signed by ____________________

Tim Sanders, Mayor

Signed by ____________________

Catherine M. Sorensen, City Clerk