City of Blaine
City Council

December 15, 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 7:03PM 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; Director of Administrative Services Scott Johnson; Public Works Director Nick Fleishhacker; Assistant Finance Director Kyle Stasica; Accounting Manager Haley Chapman; Community Development Specialist Elizabeth Showalter; Streets Supervisor Pat Parenteau; Parks and Recreations Director Jerome Krieger; Director of Engineering Dan Schluender; City Attorney Eric Larson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

4. Awards - Presentations - Organizational Business

4.1. 2025-277 Recognition of Spring Lake Park High School Football Team
Sponsors: City Council

Mayor Sanders read a proclamation in full for the record recognizing the Spring Lake Park High School football team who recently won the Class 5A Minnesota High School State Championship and declaring December 15, 2025 to be Spring Lake Park Panther football state championship day in the city of Blaine. He reported Spring Lake Park defeated Chanhassen 24-21 in a thrilling championship game for the state title. He congratulated the Spring Lake Park football team on a tremendous season. A round of applause was offered by all in attendance.

Coach Stewart thanked the city council for this recognition, stating he greatly appreciated the enthusiasm from the community. He spoke to how the mission of his program was to bring honor to the team, school and community.

Brian Youngquist, Spring Lake Park Panther football player, addressed the council and thanked the city for their tremendous support over the past year.

4.2. 2025-278 Results of Bond Sale Series 2025A

Sponsors: Jason Zimmerman, Finance Director

Michaela Huet, Baker Tilly representative, presented the council with information on the sale results of bond series 2025A.The Series 2025A bonds are a general obligation of the city, secured by its full faith and credit and taxing power. The bonds have been structured with a repayment term of 15 years for utility improvements, 15 years for pavement management projects, and five years for equipment purchases. Debt service is anticipated to be financed as follows:

- Utility Improvements - Fees charged to utility customers (Water, Sewer, Stormwater).
- Pavement Management Projects - Special assessments applied to benefiting property owners and the property tax levy.
- Equipment Purchases - Fees charged to utility customers.

Ms. Huet explained the bonding for 2025 does not include any proceeds for the purchase of capital equipment that would be used in the general operations of the city, including police squads and plow trucks, as the City Council provided direction at the August 11, 2025, workshop to fund these items with unrestricted General Fund reserves. She reported the low bid came from FHN Financial Capital Markets with an interest rate of 3.16%. She was pleased to report the city of Blaine received a AAA bond rating from Standard & Poors. It was noted staff has prepared a formal resolution for consideration in conjunction with the adoption of the 2026 budget and tax levy to award the bond to FHN Financial Capital Markets.

5. Communications

Councilmember Robertson thanked the SBM Fire Department, Allina, and the Blaine Police Department for the recent Santa Parade that resulted in 50,000 pounds of food being collected for local food shelves.

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 7:20PM.

Bruce Manthei, 4101 99th Avenue NE, shared continuing concerns regarding the electrical box placement at 99th and Lexington Avenue. He also shared concerns regarding councilmember conduct at a recent meeting.

Dana Carlson, 287 117th Avenue NE, discussed various family concerns with the city council.

There being no further input, Mayor Sanders closed the Open Forum at 7:29PM.

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.

Councilmember Robertson requested the removal of consent agenda item 7.6.

Moved by Councilmember Newland, seconded by Councilmember Fleming, that the Consent Agenda be approved as amended removing Item 7.6.

Motion adopted unanimously.

7.1. 2025-279 Schedule of Bills Paid
Sponsors: Jason Zimmerman, Finance Director

7.2. 2025-280 Approval of Minutes
Sponsors: Cathy Sorensen, City Clerk

7.3. 2025-281 Motion to Approve 2026 Annual Business Licenses
Sponsors: Cathy Sorensen, City Clerk

7.4. 2025-282 Motion to Adopt the 2026 Fee Schedule
Sponsors: Cathy Sorensen, City Clerk

7.5. RES 25-113 Resolution Abating Nine (9) Assessments on Nine (9) Parcels and Two (2) Future Connection Charges on Two (2) Parcels
Sponsors: Daniel Schluender, Director of Engineering

7.6. RES 25-195 Resolution to Receive Feasibility Report and Order Public Hearing for the 2026 Quincy Area Street Reconstruction, Improvement Project No. T2604

Sponsors: Daniel Schluender, Director of Engineering

Councilmember Robertson requested more discussion occur at the council level on project order to more closely match the feasibility study and estimates.

Moved by Councilmember Fleming, seconded by Councilmember Newland, to adopt a Resolution to Receive Feasibility Report and Order Public Hearing for the 2026 Quincy Area Street Reconstruction, Improvement Project No. T2604.

Motion adopted unanimously.

7.7. RES 25-196 Resolution to Receive Feasibility Report and Order Public Hearing for the 2026 Meadowbrook Area Street Reconstruction, Improvement Project No. T2606

Sponsors: Daniel Schluender, Director of Engineering

7.8. 2025-283 Motion to Authorize Mayor and City Manager to Enter into a Contract with WSB for Professional Design and Construction Services for the 2026 Street Rehabilitation Project, Improvement Project No. T2605

Sponsors: Daniel Schluender, Director of Engineering

7.9. RES 25-193 Resolution Accepting a Bid From Hawkins, Inc. in the amount of $665,639 for Water Treatment Chemicals for January 1, 2026 to December 31, 2026.

Sponsors: Nick Fleischhacker, Public Works Director, Kristian Gaasland, Public Works Supervisor - Water

7.10. RES 25-200 Resolution Authorizing an Amendment to the 2025 Water Capital Fund Budget in Relation to PFAS Settlements

Sponsors: Nick Fleischhacker, Public Works Director, Kristian Gaasland, Public Works Supervisor - Water

7.11. 2025-284 Motion to Approve Payment to Insight Public Sector for Microsoft Enterprise Agreement Annual License Renewal.

Sponsors: Paul Grosse, IT Manager

7.12. 2025-285 Motion Authorizing Payment to Tyler Technologies for Software License, Technical Support, and Maintenance for the City's New World Financial System

Sponsors: Jason Zimmerman, Finance Director

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

8.1. 2025-286 Motion to Consider Approval of an On-Sale Intoxicating & Sunday Liquor Licenses for Chelas X, Inc. located at 1250 126th Ave NE, Suite 600, Blaine, MN

Sponsors: Cathy Sorensen, City Clerk

City Clerk Sorensen stated council is asked to approve the on-sale and Sunday intoxicating liquor licenses for Chelas X to allow the ability to serve intoxicating spirits, beer and wine. A public hearing is required prior to the approval of on-sale and Sunday intoxicating liquor licenses in the city. Michael Nguyen, applicant, applied for and received council approval for a wine and 3.2 percent on-sale liquor licenses on October 20, 2025. Mr. Nguyen is now requesting to serve full intoxicating spirits and is applying for an on-sale and Sunday intoxicating liquor licenses rather than the previously approved wine and 3.2 percent on-sale liquor licenses. The applicant included the required license fees, forms and documents. The background investigation was conducted by the Blaine Police Department with no concerns found. The on-sale and Sunday intoxicating liquor licenses, if approved, would be active through June 30, 2026, and run concurrent with annual liquor license renewals. All required information will be submitted to the state's alcohol and gambling enforcement division upon approval of the licenses by the council, and the current wine and 3.2 percent licenses will be canceled.

Mayor Sanders opened the public hearing at 7:32PM.

There being no public input, Mayor Sanders closed the public hearing at 7:32PM.

Moved by Councilmember Massoglia, seconded by Councilmember Robertson, to approve an On-Sale Intoxicating & Sunday Liquor Licenses for Chelas X, Inc. located at 1250 126th Ave NE, Suite 600.

Motion adopted unanimously.

8.2. ORD 25-2597 First Reading

Amend City Charter Chapter 5. Initiative and Referendum, Adding Section 5.14 Recall and Chapter 2. Form of Government, Sec. 2.04 Vacancies in the Council

Sponsors: Cathy Sorensen, City Clerk

Ms. Sorensen stated in 2022, council directed the charter commission to consider an amendment that would provide for a recall process for an elected mayor or councilmember. It should be noted that Minnesota's constitution and statute provide for recall of elected state officials but not city officials, therefore, any recall process would require a charter amendment. The topic was discussed at the 2022 and 2023 commission meetings, where commissioners discussed reasons where a recall would be allowed, size of the recall committee, and an appropriate threshold required of registered voters on a petition that would trigger a recall election. They reviewed several cities' examples and the proposed ordinance presented was based on the City of Richfield's charter with input from city council regarding restricting reasons for recall to serious cases of malfeasance during the term of office in the performance of the duties of the office. The council held a public hearing and first reading on the proposed charter amendment on January 17, 2024, with no public input received, but the amendment failed at the February 5, 2024, meeting due to the lack of a unanimous vote. At the November 18, 2025, charter commission meeting, the commission recommended the amendment be brought forward again for public hearing and council consideration. It's important to note that no changes have been made to the proposed charter amendment since it was first presented in 2024. In addition, redundant language is also being recommended in Sec. 2.05 vacancies in council as well as additional language for vacancies due to a recall, if adopted.

Mayor Sanders opened the public hearing at 7:35PM.

There being no public input, Mayor Sanders closed the public hearing at 7:35PM.

Declared by Mayor Sanders that Ordinance No. 25-2540, “Amend City Charter Chapter 5. Initiative and Referendum, Adding Section 5.14 Recall and Chapter 2. Form of Government, Sec. 2.04 Vacancies in the Council,” be introduced and placed on file for second reading at the January 5, 2026, Council meeting.

9. Development Business

9.1. RES 25-199 Resolution Granting a Conditional Use Permit to Operate an Indoor Mini Golf Facility in an Existing Tenant Space in a Community Commercial (B-2) Zoning District at 1033 109th Avenue NE. Putt Town (Case File No. 25-0049/ACK)

Sponsors: Sheila Sellman, Community Development Director

Community Development Director Sellman stated the applicant is proposing an indoor mini-golf facility in a vacant tenant space at 1033 109th Ave. The use is classified as amusement and recreation, which requires a conditional use permit (CUP). Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Robertson, seconded by Councilmember Massoglia, to adopt a Resolution Granting a Conditional Use Permit to Operate an Indoor Mini Golf Facility in an Existing Tenant Space in a Community Commercial (B-2) Zoning District at 1033 109th Avenue NE.

Motion adopted unanimously.

9.2. ORD 25-2589 Second 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 second reading and approve the 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. Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Ford, to adopt the Second Reading of Ordinance No. 25-2589, 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.

Motion adopted unanimously.

9.3. RES 25-182 Resolution Granting Preliminary Plat Approval to Create 11 Lots and one outlot to be Known as Northtown Villas at 9011 and 9021 University Avenue NE and 120 90th Lane NE. Ranger Development (Case File No. 25-0031/SAS)

Sponsors: Sheila Sellman, Community Development Director

Ms. Sellman requested the Council consider preliminary plat approval for 11 lots and one outlot. The preliminary plat consists of eight twin home lots and 3 detached villa lots. Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Ford, to adopt a Resolution Granting Preliminary Plat Approval to Create 11 Lots and one outlot to be Known as Northtown Villas at 9011 and 9021 University Avenue NE and 120 90th Lane NE.

Motion adopted unanimously.

9.4. RES 25-181 Resolution Granting a Conditional Use Permit to Allow Construction of 4 Twin Homes (8 Units) and 3 Single-Family (Villas) in the Development Flex (DF) Zoning District 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 stated the applicant is requesting to create 8 twin homes and 3 detached single-family villa lots as infill redevelopment in the Northtown Area. The proposal includes a rezoning from County Road 10 Mixed Use District (MU) to Development Flex (DF), a

Conditional Use Permit (CUP) for development standards, and a preliminary plat. Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Ford, to adopt a Resolution Granting a Conditional Use Permit to Allow Construction of 4 Twin Homes (8 Units) and 3 Single-Family (Villas) in the Development Flex (DF) Zoning District at 9011 and 9021 University Avenue NE and 120 90th Lane NE.

Councilmember Newland asked where the land would come from for the turn lane on University Avenue. Director of Engineering Schluender reported the turn lane would fit within the existing right of way of University Avenue. He indicated land would be dedicated for trail easement because the existing trail would need to be relocated.

Motion adopted unanimously.

9.5. ORD 25-2592 Second 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. Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Ford, to adopt the Second Reading of Ordinance No. 25-2592, Approving a Rezoning from Community Commercial (B-2) to Light Industrial (I-1) at 8501 Old West 35W Service Drive NE.

Motion adopted unanimously.

9.6. ORD 25-2594 Second 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/EES)

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. Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adopt the Second Reading of Ordinance No. 25-2594, Approving a Rezoning from County Road 10

Mixed Use (MU) to Single Family Residential (R-1) at 8550 Van Buren Street NE.

City Manager Thorvig reported if this item is approved by the council, staff would be issuing RFPs to single family home builders in order for a home to be built on this lot sometime next summer.

Motion adopted unanimously.

9.7. RES 25-183 Resolution Granting a Comprehensive Plan Amendment to Change from Community Commercial (CC) to Low Density Residential (LDR) at 8550 Van Buren Street NE. City of Blaine (Case File No. 25-0046/EES)

Sponsors: Sheila Sellman, Community Development Director

Ms. Sellman stated the EDA purchased 8850 Van Buren Street in 2019 and is now proposing a comprehensive plan amendment to Low Density Residential to allow for rezoning to R-1 and sale of the property for construction of a single family home. The LDR land use is consistent with adjacent properties. Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adopt a Resolution Granting a Comprehensive Plan Amendment to Change from Community Commercial (CC) to Low Density Residential (LDR) at 8550 Van Buren Street NE.

Motion adopted unanimously.

9.8. ORD 25-2593 Second 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 stated annually, staff reviews the zoning code to identify areas for improvement and proposes annual ordinance revisions. Staff commented further on the zoning code updates and reported the planning commission recommended approval.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt the Second Reading of Ordinance No. 25-2593, Approving Annual Revisions to the Blaine Zoning Ordinance.

Motion adopted unanimously.

9.9. RES 25-201 Summary Resolution for Publication of Ordinance 25-2593 Approving Annual Revisions to the Blaine Zoning Ordinance

Sponsors: Cathy Sorensen, City Clerk

Ms. Sorensen requested the council adopt the proposed resolution allowing for publication of title and summary of Ordinance 25-2593.

Moved by Councilmember Massoglia, seconded by Councilmember Newland, to adopt a Resolution for Summary Publication of Ordinance 25-2593 Approving Annual Revisions to the Blaine Zoning Ordinance.

Motion adopted unanimously.

10. Administration

10.1. RES 25-194 Resolution Adopting the 2026 Property Tax Levy and City Budgets
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated Minnesota state law requires all cities, including Blaine, to certify their final 2026 adopted property tax levies to the county auditor on or before December 29, 2025. The budgetary process began with finance department staff conducting small group discussions with all members of the council 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. Key concepts included prioritizing new funding for capital investments, providing sufficient resources to adequately fund ongoing costs, and ensuring requests conformed to the strategic plan. The conditions were then incorporated into department's requested budgets. These departmental requests were then evaluated 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 representing an increase of $5,964,000 or 12.1 percent. 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. Property tax relief resources were reviewed with the council. Staff commented further on the process that was followed for the budget, reviewed the final levy and recommended approval of the 2026 property tax levy and city budgets.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to adopt a Resolution Adopting the 2026 Property Tax Levy and City Budgets.

Councilmember Massoglia indicated he did not support the budget last year. He explained he was hopeful changes would be made to rebalance the city's fiscal strategy. He wanted to see the city council pursue a budget committee for the 2027 budgeting process. In addition, he wanted to see the city pursuing alternative revenue sources to assist with leveling off the tax levy. He stated he would remain hopeful that changes were on the horizon, but noted he would not be able to support this budget and tax levy.

Councilmember Robertson reported staff has been diligently working on the budget for the past eleven months. She explained she has been questioning and speaking with staff a great deal throughout the budget planning process. She appreciated the fact the city would be working to prefund debt while also paying down the debt the city has issued. She commented on the experience she has with private sector financing and stated she understood this varied greatly from public financing. She thanked the finance team for all of their efforts on the budget and how the city was investigating new non-tax revenue streams. She discussed the areas within the budget that were frustrating to her, which included new capital purchases. She stated she understood Blaine was a growing city, but she also wanted to ensure the city was making fiscally responsible decisions through this growth. She explained she was looking forward to attending the January budget retreat. She thanked her colleagues on the city council for all of the time and energy that was spent on the budget and tax levy in 2025.

Councilmember Newland stated he believed the city was on the right path where the city council wants to go. He appreciated how the trajectory of the levy was being altered. He discussed how Blaine was a unique community because it did not have any additional revenue streams such as a municipal liquor store, franchise fees or LGA to assist with covering expenditures. He believed that in one year, the city would be sitting in a different position financially. He stated the budget could not change overnight, but could make incremental changes that would improve the financial position of the city. He explained he was proud of the services the city was providing for Blaine residents.

Councilmember Fleming reported the budget process was long and arduous. She indicated the council had benchmarks and a framework established for staff. She highlighted the goals that were accomplished by staff noting the levy had come in under 10%. She appreciated the fact the city now had a five-year plan to eliminate the need for capital bonding. She discussed how reserves were being used strategically for one-time items and the city was pursuing alternative revenue sources. She asked staff to speak to how important it was for the city council to pass a budget each year. Mr. Zimmerman explained if the council does not certify a levy by the end of December, the levy would revert back to what it was for 2025. He indicated if a budget was not established staff would not have proper direction on how to conduct business going into the new year.

Councilmember Fleming thanked staff for speaking to this issue. She explained she would like the levy to be lower, but she appreciated the trajectory the city council was on noted she would be offering her support to the tax levy and budget for 2026.

Mayor Sanders thanked Finance Director Zimmerman and the entire finance team for their efforts on the 2026 budget.

Councilmember Massoglia requested a roll call vote be taken.

A roll call vote was taken. Motion adopted 4-3 (Councilmembers Larson, Massoglia, and Robertson opposed).

10.2. RES 25-191 Resolution Adopting the 2026-2030 Capital Improvement Program and Authorizing 2026 Purchases and Projects
Sponsors: Jason Zimmerman, Finance Director

Mr. Zimmerman stated council is requested to approve the 2026-2030 Capital Improvement Program and the 2026 Purchases and Projects. The city of Blaine plans for capital maintenance and improvements by preparing a five-year Capital Improvement Plan (CIP). The CIP represents a framework for planning the preservation and expansion of capital, including infrastructure, facilities, and equipment, in a way that is sustainable and affordable for the community. It sets forth the estimated schedule, timing, and details of specific improvements by year, together with the estimated cost, the need for the improvement, and sources of revenue to pay for the improvement. The plan supports the city's goals as identified by the city council and discussed during the 2026 budget process. These goals include enhancing and preserving service levels, continual review for service efficiencies and innovations, and maintaining a strong financial position. The CIP is a planning document intended to assist policymakers and staff to plan for major capital improvement, renewal, and replacement expenditures. As a planning document, the CIP does not bind the city to the anticipated expenditures in the projected years. The CIP is not a budget, nor is it an authorization to expend funds. The authorization of the expenditures occurs through City Council action and adoption of the annual budget. Staff commented on the items that were proposed for purchase in 2026 and requested the council adopt a resolution approving the 2026 through 2030 CIP and authorizing the 2026 purchase and projects.

Moved by Councilmember Newland, seconded by Councilmember Ford, to adopt a Resolution Adopting the 2026-2030 Capital Improvement Program and Authorizing 2026 Purchases and Projects.

Councilmember Newland stated the council has had dialogue about targeting alternative revenue streams for future capital improvement purchases. He explained he supported the CIP as presented by staff.

Councilmember Ford indicated he supported the proposed CIP and thanked staff for their efforts on this financial planning tool.

Motion adopted 5-2 (Councilmembers Larson and Massoglia opposed).

10.3. RES 25-192 Resolution to Transfer Unrestricted General Fund Reserves and Associated Budget Amendments
Sponsors: Jason Zimmerman, Finance Director

Mr. Zimmerman stated pursuant to council direction provided upon adoption of the 2026 Budget along with guidance provided by the city’s fund balance policy, council is requested to authorize the transfer of unrestricted general fund reserves to address one-time items and general capital equipment as outlined during the August 11, 2025, Workshop.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to adopt a Resolution to Transfer Unrestricted General Fund Reserves and Associated Budget Amendments.

Councilmember Massoglia indicated he would not be supporting this item. He explained the city had $3.9 million in unrestricted reserve dollars and in his opinion, the levy should have been lowered by this amount. He was of the opinion the city was overtaxing and the city should have used these dollars in another manner.

Motion adopted 5-2 (Councilmembers Massoglia and Robertson opposed).

10.4. 2025-287 Motion to Authorize Mayor and City Manager to Enter into a Contract with Traut Companies for Construction of Monitoring Wells, Improvement Project No. U2412
Sponsors: Nick Fleischhacker, Public Works Director

Public Works Director Fleishhacker stated council is requested to approve a contract for the construction of monitoring wells, Improvement Project No. U2412 in the amount of $137,050 in conjunction with efforts to finalize appropriations permitting with the Minnesota Department of Natural Resources (DNR) for city wells 19, 20 and 21 in the Northeast Wellfield. At the June 2, 2025 City Council Workshop, staff provided an update to the Council on the ongoing collaboration with the MN DNR to develop a path forward for the City to obtain operating permits for Wells 19, 20 and 21 in the Northeast Wellfield. Staff indicated that one of the DNR requirements was to install a nest of two monitoring wells in Ham Lake, one in each of the two aquifers the Northeast Wellfield draws from (Quaternary and Tunnel City-Wonewoc), near where the well interference complaints were received in 2021 and 2022. At the July 7, 2025 city council meeting a contract with Barr Engineering Co. was approved by council. The contract was to assist the City in completing the necessary steps required by the DNR to obtain the operating permits from the DNR. Part of the scope of the Barr contract was to prepare plans and specifications for the installation of the required Ham Lake monitoring wells and an additional monitoring well located in the city of Blaine adjacent to an existing monitoring well in the Quaternary Aquifer just north of the Northeast Well Field. The monitoring well proposed in Blaine will be drilled into the Tunnel City-Wonewoc Aquifer so that both aquifers the Northeast Wellfield draws from can be monitored at this location. A joint powers agreement permitting the installation of the monitoring wells in Ham Lake was approved by the Ham Lake City Council on November 3, 2025, and subsequently approved by the Blaine City Council on November 17, 2025 (Resolution 25-180).

Mr. Fleischhacker reported Barr prepared the plans and specifications and quotes were obtained from the two drillers in Minnesota that are capable of drilling the wells with a rotosonic drill rig. A rotosonic drill rig is preferable in this situation to a conventional drill rig because it allows the drilling cores to be recovered as the wells are drilled, providing data on the existing geology at the well sites which may help the city and DNR understand the unique situation that is at the heart of this well interference issue. In addition, it results in a cleaner borehole (less wall smearing) that will help ensure the monitoring well can respond more rapidly to changes in aquifer water levels than a conventionally drilled well. The engineering department requested and received quotes as follows:

Traut Companies - $137,050
Cascade Environmental - $117,868

Mr. Fleischhacker explained one of the requested items in the quote proposal was for drilling fluid management. Normally, the well driller will dispose of the drilling fluid (a mixture of water and bentonite clay) on site, but because the two monitoring wells are located in a park in Ham Lake the driller will be required to haul away and dispose of the fluid offsite. Traut listed a $25,000 price for drilling fluid management and Cascade did not provide a price, stating they do not have the ability to capture and dispose of it and a separate contractor would be needed. As a result, staff is recommending that Traut Companies be awarded the contract. City council is also asked to approve a 10% contingency to bring the total project budget to $150,755. This project will be funded through Public Water Utility funds.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to authorize Mayor and City Manager to enter into a Contract with Traut Companies for Construction of Monitoring Wells, Improvement Project No. U2412.

Councilmember Newland asked when this work would be completed and when would the monitoring begin. Mr. Fleischhacker reported the holes will be drilled this winter and baseline data would be collected with the DNR after this work was completed.

Motion adopted 5-2 (Councilmembers Massoglia and Robertson opposed).

10.5. 2025-288 Motion to Approve Memorandum of Understanding with Coon Creek Watershed District for Project U2513

Sponsors: Daniel Schluender, Director of Engineering

Mr. Schluender stated Coon Creek Watershed District, along with member organizations of the city of Blaine, city of Coon Rapids, and Anoka County, have identified the construction of a biochar and iron enhanced sand filter located at the existing Bridgewater Pond will help address phosphorus and E.coli contamination within Anoka County Ditch 39. Preliminary plans and cost estimates have been prepared, and the project is proposed to move forward with construction in 2026. Construction is scheduled for Summer of 2026. Anoka County Ditch 39, also known as Knoll Creek, has high levels of phosphorus and E. coli that contribute to pollution in Sand Creek and in Coon Creek. The Minnesota Pollution Control Agency (MPCA) has placed limits on these two pollutants and the surrounding city's and watershed districts are required to reduce these pollutants.

Mr. Schluender reported the proposed project was the most cost-effective project identified in the 2023 subwatershed assessment conducted by the watershed district with cooperation and partnership with surrounding cities. While not located in the city of Blaine, the project treats polluted stormwater that comes from the city of Blaine drainage areas. The district applied for and received a $625,000 grant from the Board of Water and Soil Resources to assist in funding the project and to help minimize cost to local governments. Based on the estimated total project cost, the remaining amount to be financed is $557,000. Remaining costs were then distributed to member organizations based on drainage area that contribute to the pollution problem. The city of Blaine comprises of 72% of this drainage area, which amounts to the budget request for $400,000. The city of Coon Rapids comprises of 17% of the drainage area, which amounts to the budget request for $95,000. The district and the county amount to 7% and 4%, which equates to $40,000 and $22,000, respectively. Construction is planned to begin in 2026. These joint projects were introduced to council at a workshop in February of 2024. This memorandum of understanding is necessary to document funding agreements as multiple agencies are collaborating to fund the project. Once final costs have been identified and the contracts have been bid, a joint powers agreement will be brought to council for approval prior to construction of the project.

Moved by Councilmember Massoglia, seconded by Councilmember Newland, to approve a Memorandum of Understanding with Coon Creek Watershed District for Project U2513.

Motion adopted unanimously.

10.6. ORD 25-2595 First Reading
Ordinance Amending Chapter 2 - Administration, Article V. - Ordinance Violations, Division 2. Administrative Adjudication and Chapter 86 - Utilities, Division 2 - Fire Services, Sec. 86-74
Sponsors: Sheila Sellman, Community Development Director

Ms. Sorensen stated staff is recommending an amendment to the city's administrative adjudication ordinance to better address the administrative citation process and amendments to check valve/meter fines. The current administrative adjudication ordinance was established in 1999 to address certain administrative offenses outside the formal judicial process. Examples of administrative offenses include long grass, outside storage, and temporary sign violations. Staff is recommending amendments that are less specific regarding the employees who can issue violation notices, simplifies subsequent offenses fees, establishes re-inspection fees, and allows penalties for offenses to be established through a penalty schedule instead of by resolution or ordinance for ease of updates. Staff is also recommending an amendment to the current fine for illegal use of water to be removed from city code and included in a penalty schedule instead for ease of updating.

Declared by Mayor Sanders that Ordinance No. 25-2595, “Ordinance Amending Chapter 2 - Administration, Article V. - Ordinance Violations, Division 2. Administrative Adjudication and Chapter 86 - Utilities, Division 2 - Fire Services, Sec. 86-74,” be introduced and placed on file for second reading at the January 5, 2026 Council meeting.

10.7. ORD 25-2596 First Reading
Ordinance Amending Chapter 22 - Businesses Article V.- Peddlers, Solicitors, and Transient Merchants
Sponsors: Cathy Sorensen, City Clerk

Ms. Sorensen stated council is asked to consider ordinance amendments clarifying licensing for solicitors in the city. As part of a regular review of city code, staff is recommending amendments to the peddler, solicitor, and transient merchant code clarifying that licensing is required for solicitors as well as other housekeeping updates.

Declared by Mayor Sanders that Ordinance No. 25-2596, “Ordinance Amending Chapter 22 - Businesses Article V.- Peddlers, Solicitors, and Transient Merchants,” be introduced and placed on file for second reading at the January 5, 2026 Council meeting.

11. Other Business

None.

12. Adjournment

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adjourn the meeting at 8:49PM.

Motion adopted unanimously.

CITY OF BLAINE MINNESOTA

Signed by ______________________________
Tim Sanders, Mayor

Signed by ______________________________
Catherine M. Sorensen, City Clerk