City of Blaine
City Council Workshop

December 8, 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 Pro Tem Robertson at 5:30PM.

2. Roll Call

PRESENT: Mayor Tim Sanders (arrived at 5:40PM), Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Erik Thorvig; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Human Resources Manager Lori Carbajal; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; City Attorney Lida Bannink; Public Works Director Nick Fleishhacker; Water Supervisor Kristian Gaasland; Assistant City Engineer Stefan Higgins; Accounting Manager Haley Chapman; Assistant Finance Director Kyle Stasica; and City Clerk Catherine Sorensen.

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

After a motion and second the council moved into a closed session pursuant to Minnesota State Statute 13D.03 Subd. (1)(b) to receive a labor negotiations update.

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

City Manager Thorvig stated 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 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 commented further on the proposed list of priorities and requested feedback from the council.

Mayor Sanders explained he was pleased with the discussions that have been held with local legislators to date and spoke to the fact there may not be a tax bill in 2026.

Mr. Thorvig stated as the tax bill legislation moves forward, staff would keep the council apprised.

Further discussion ensued regarding the transportation funding requests.

Councilmember Ford discussed how the City of Blaine was downgraded by the Met Council with regards to housing and no longer has to have the same amount of high density housing.

Mayor Sanders said he appreciated the fact that the Met Council was working with cities to ensure the one-size fits all approach does not move forward when it comes to zoning and future developments. He was of the opinion local control was the best way for Blaine to continue move forward.

Councilmember Massoglia indicated he did not believe it was the city's responsibility to tackle and resolve all the concerns when it comes to affordable housing. He said while he was sympathetic to those struggling to find housing at this time, he reported this was a much bigger problem than the city can resolve.

Councilmember Larson asked if the city has received affordable housing requirements from the Met Council. Mr. Thorvig explained the Met Council requires cities to set aside land use to accommodate a certain number of units.

Councilmember Ford stated there was a need in the community for lower income rental housing, especially for students who are working to pay off student loans or other individuals working to pay off debt.

Councilmember Larson inquired if the newest apartment building adjacent to the Alexandra House had an affordable component. Mayor Sanders reported this was the case.

Councilmember Newland supported the city retaining local control when it comes to housing development projects.

Councilmember Robertson discussed how the city was not against affordable housing projects, noting the last several projects that came before the council did not receive the proper grants from the state and therefore could not move forward.

Councilmember Massoglia reiterated that he did not believe Blaine had to tackle the issue of affordable housing but rather believed the city should be focused on public safety, water, sewer and roads. He indicated he did not see affordable housing as a core or essential service that should be addressed by local governments.

Mr. Thorvig commented on the proposed costs for the new fire station.

Councilmember Newland encouraged the city to consider a training facility in Blaine because there was a need for this use for all cities in Anoka County then asked if the city would be prioritizing the list of legislative items. Mr. Thorvig indicated the sales tax would have the highest priority at this time along with opposing the zoning changes.

Councilmember Massoglia explained he did support the legislation for appropriation for the manufactured homes grants and loans program. He said he did not believe the city needed to get involved in pushing legislation for housing. He supported the city pursuing legislative initiatives that impacted the entire city of Blaine and not just one specific group. He feared catering to one group would lead to future requests from specific groups and he did not want the city going down this road.

Councilmember Ford stated he did not have a problem with it. He believed Councilmember Massoglia had a point and he did not want future requests to come to the city from specific interest groups.

Councilmember Fleming reported this was an important community that was reaching out for assistance from the city and she supported the city offering help. She supported all future requests being considered on a case by case basis.

Mayor Sanders reported the particular request from the manufactured home park community was requesting an allocation of funds to the park ownership for infrastructure grants so these costs are not passed along to tenants within the manufactured home park.

Councilmember Newland said he supported the city its offering support.

Councilmember Ford indicated he supported the city offering support for the manufactured home allocation requests.

Councilmember Robertson supported broader language moving forward for the mobile home park request.

Mr. Thorvig asked how the council wanted to react to the rent increases for mobile home park communities.

Councilmember Massoglia stated again that he believes this topic was not a core function of the city. He recommended the state and federal policy discussions remain at the state and federal level.

Councilmember Newland thanked Councilmember Massoglia for his comments then reported after attending the open house with the mobile home communities, there seemed to be general consensus that the state needed to resolve this issue. He stated Blaine had 2,300 families living in mobile home communities and for this reason he wanted to see the state addressing this topic.

Councilmember Larson indicated this was a very partisan issue. She discussed how this item could not get out of a housing committee in 2025. She noted there was not a majority in the House and Senate for 2026 and she anticipated this issue would not move forward. She stated she had a discussion with Representative Norris regarding the bill and understood that while parts of the bill were good she did not believe the bill would move forward. She did not anticipate investors would remain in the mobile home business if the maximum return was only 3%. She feared the current mobile home parks would be sold to developers and replaced with apartments. She indicated this would be terrible for the community.

Councilmember Robertson explained she wanted the city's legislative priorities to be focused on people but indicated the city cannot solve the mobile home rental rate issue. She said she hoped that when problems arose in the community that the city could stand with residents in order to pursue solutions. She understood there were politics behind some topics, but in the end wanted to help people in the community.

Councilmember Larson stated she agreed the council should be helping people but feared if this bill were to move forward the mobile home parks will be sold and turned into apartments that would result in residents losing their homes.

Councilmember Newland indicated there may not be consensus on the exact language, but it appeared the council supported this item moving forward.

Councilmember Fleming reported if this item passed and the mobile home parks were to sell, many people would lose their homes. However, if this legislation doesn't pass and the rental rates are increased, many people will lose their homes as well. She understood this was a big what if, but she wanted to see the city stand for its residents to try and do something.

Councilmember Ford indicated he saw this as a human issue as well and did not see this as a political issue. He commented on how long it took to pass legislation that addressed mental health concerns for police and firefighters at the state level and reiterated that he supported the city working to help people.

Councilmember Massoglia stated capping rent was a partisan issue and he questioned which members of the city council supported rent caps.

Councilmember Ford reported rent caps on apartments was very different than rent caps within mobile home communities.

Councilmember Larson indicated she would support the city going to the attorney general in order to hold the monopoly companies accountable to reduce the impacts on mobile home parks. She stated she did not support the language within the bill as written but supported a lot of other items within the bill.

Mayor Sanders reported there are many portions of this bill that are supported by both sides of the aisle and perhaps the language needed to be more broad. He commented on how communities were being impacted by major corporations purchasing these homes which was over inflating the rental market. He stated none of this was good for the American dream. He indicated the council could come together to address the concerns facing mobile home communities and encourage the state to figure this out. He discussed how vulnerable individuals and the elderly were being adversely impacted by the buyout of mobile home parks to venture capital groups. He stated he has heard from many residents who are very uncertain about their future and he did not want this in Blaine.

Councilmember Larson recommended the city also speak with the attorney general in order to address the company that was going after mobile home parks and causing harm.

Councilmember Massoglia stated he would be fine with this but indicated the council was not debating partisan solutions for a city council issue.

Councilmember Newland asked what the city's next steps would be. Mr. Thorvig stated the city would revisit this topic in order to have language within a letter the majority of the council was comfortable with.

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

Mr. Thorvig stated 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.

Mr. Thorvig indicated 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. He reported 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

Mr. Thorvig explained 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 tity 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.

Mayor Sanders asked if Lexington would be shutting down their current water infrastructure. Assistant City Engineer Higgins reported Lexington would have to turn their well off and the remaining hydrants would remain in service.

Councilmember Robertson stated Blaine could install an interconnect and metering system but noted this work could also be done by the city of Lexington then asked questions regarding methods to ensure accurate meter readings.

Councilmember Robertson explained she would recommend the Lexington residents pay the same rates as Blaine residents for water. Councilmember Fleming agreed.

Councilmember Newland reported 95% of the lowest tier was not an option for Lexington. He indicated he supported Lexington residents having to pay more than Blaine residents and not less.

Councilmember Massoglia agreed, noting Lexington had the opportunity to get their water at a lower rate.

Councilmember Fleming asked what Lexington's other options would be for providing water to their residents. Mr. Higgins reported Lexington did not have other options at this time and provided further information regarding the requirements that Lexington had to meet from the Department of Health by next summer.

Mr. Higgins indicated the City of Lexington would charge on an additional fee for their residents in order to fund future infrastructure improvements.

Councilmember Ford supported Lexington rates being higher than 100%. He questioned if there was a guarantee that Lexington would be shutting down their well. Mr. Higgins explained that as part of the JPA, a close-off valve would have to be installed. Finance Director Zimmerman reported if Lexington were to turn on their well they would have issues with Blaine and the Department of Health.

Councilmember Fleming stated she could support a water rate lower than 100% for Lexington because this would allow Lexington to charge a small fee to cover the cost of future infrastructure improvements. She suggested the rate be set at 95%.

Councilmember Newland indicated he did not support this recommendation and suggested the water rate be set at 101%.

Councilmember Massoglia asked what Maple Grove did for their water contract cities. Mr. Zimmerman stated he did not have the particulars of these arrangements.

Mr. Thorvig questioned what the water rates were for Lexington residents in 2025. Mr. Zimmerman reported the rates were very similar to the city of Blaine.

Mr. Thorvig thanked the council for the feedback noting staff would propose a rate of 101% of Blaine's current water rates.

3.4. 2025-272 Council Subcommittee Updates

Sponsors: Erik Thorvig, City Manager

Action on this item was delayed to a future council workshop meeting.

3.5. 2025-273 2026 Budget and Levy

Sponsors: Erik Thorvig, City Manager

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

Mayor Sanders commented on the two individuals who property owners who spoke at the truth in taxation hearing.

Councilmember Robertson supported the city providing the public with more education on the board of appeal process for homeowners who would like to appeal their property value.

Councilmember Fleming stated she would like to see the council working towards unity on the proposed tax levy. She appreciated all of staff's efforts on the budget and tax levy noting the number was now below 10%. She questioned what else could be done in order to garner full council support.

Councilmember Massoglia explained he has been very clear that he would not support a double digit levy increase. He stated the proposed levy was 9.9% which was .1% from double digits. He reported he had hoped the council would create a budget review committee for the 2026 budget and that the council would be pursuing new revenue streams. He suggested the council remove some of the pre-funding capital within the 2026 budget and that this be put in place once the city has new revenue streams in place. He thanked staff for all of their efforts on the budget and tax levy and for pointing the city in the right direction. He indicated he still had an issue with the small items the council wanted to fund within the budget, such as sidewalk snowplowing and more funding for the 3M Open. He stated the levy was on an improper trajectory that he wanted to see level out. He commented the only way this would level out was if spending was reduced.

Councilmember Robertson reported from the very beginning she stated she would not be supporting the tax levy, even if it could get to single digits. She indicated the council keeps talking about things but does not take action. She wanted to see the city paying down debt and paying off loans. She expressed concern with the fact the city was buying capital that exceeded the rate the city was saving dollars. She understood it was hard to say no then indicated she did not want to see the city bonding for street improvement projects. She explained she understood her finance experience was in the private sector and that the city's budget was much larger. She supported the city continuing to provide essential, core services. She indicated she wanted to see the council moving forward with the core values that are discussed and wanted to see the budget more closely reflect this.

Councilmember Fleming thanked Councilmember Robertson for her comments then questioned why the city hadn't discussed not funding future road improvement projects until the city had alternative funding in place. She reported the city had been working on the budget for the past 11 months and staff had consensus from the council to move the budget and tax levy forward. She questioned what would happen if the council did not support the budget moving forward. Mr. Zimmerman reported the city's budget would revert to what was approved in 2025 and city staff would not have the authority to spend money.

Councilmember Fleming stated it was disappointing that there were councilmembers that would be voting against the proposed budget and tax levy knowing this information.

Councilmember Robertson indicated she voted yes on a budget last year that she did not support because the council only had six members present.

Councilmember Newland explained he would be supporting the budget. He stated he looked forward to attending the budget retreat in early 2026 as this will assist the council with setting priorities for the 2027 budget and tax levy.

Councilmember Ford stated he would be supporting the budget and tax levy as proposed by staff. He appreciated all of staff's efforts on this and noted the city was not working to gain a profit, but rather was working to provide essential services for the community. He explained he would like to see a chart on how the city's growth and expenditures were expected to grow and taper off in future years.

Mr. Thorvig reported the majority of the council has started to move the needle in a positive direction over the past three years. He explained the city was working to pre-fund capital. He commented on how franchise fees and other revenue streams would greatly benefit the city then discussed how the council has had to right-size based on decisions that were made before this council was elected.

4. Other Business

Mr. Thorvig requested the council consider goals for the coming year noting this topic will be addressed one week before the council retreat.

5. Adjournment

The workshop adjourned at 7:38PM.

CITY OF BLAINE MINNESOTA

Signed by ______________________________
Tim Sanders, Mayor

Signed by ______________________________
Catherine M. Sorensen, City Clerk