



City of Blaine

City Council Workshop

June 8, 2026 | 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 at 5:32PM by Mayor Sanders.

2. Roll Call

PRESENT: Mayor Sanders, Councilmembers Fleming, Massoglia, Larson, Robertson, Newland, and Ford.

ABSENT: None.

ALSO PRESENT: City Manager Erik Thorvig; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Accounting Manager Haley Chapman; Director of Engineering Dan Schluender; Communications Manager Ben Hayle; Public Works Director Nick Fleishhacker; Parks and Recreation Director Jerome Krieger; Project Engineer Brent Larson; and City Clerk Cathy Sorensen

3. New Business

- 3.1.** 2026-125 Pulte Residential Concept for Property South of 125th Avenue and West of Zest Street (30 Minutes)
Sponsors: Sheila Sellman, Community Development Director

City Manager Erik Thorvig stated that the city council reviewed a concept plan in May 2025, which included 83 single-family lots measuring 65 feet wide and 91 townhomes. Council consensus at that time was to not support a land use change allowing townhomes, as several members preferred unique homes on larger lots. The applicant has since submitted a revised concept plan proposing upscale single-family homes on 70-foot lots alongside twin

homes targeting move-down or retiree buyers, thereby ensuring alignment with the comprehensive plan's minimum density requirements.

Haley Daily-Severs, Pulte Group, explained her group had a presentation for the McKinley/Kemp site and noted Pulte Group would be working with Jonathan Homes on this project. She reviewed the location of the wetlands on the McKinley/Kemp properties. She commented further on the agencies she would be working with to address the wetlands and endangered species.

Nathan Fair, Jonathan Homes, introduced himself to the council and noted his company was a sister company to Hanson Builders out of Andover, Minnesota. He stated he has been doing business in Blaine for the past 15 years and was excited to be a part of this development team.

Ms. Daily-Severs highlighted the diversity of housing within The Lakes neighborhood and discussed the plans for the McKinley/Kemp site at the corner of Lexington and Main. She noted differences in wetland protection required for this property compared to those in The Lakes neighborhood, explaining that the McKinley/Kemp site is guided for low-density residential development, permitting 2.5 to 6 units per acre. She stated that a project featuring 80-foot lots would not comply with low-density residential requirements, and a proposal with only 65-foot lots would similarly fall short. She emphasized that future density requirements will derive from the Metropolitan Council as comprehensive plans are updated. She shared further details on the Pulte Homes that included single-family 70-foot wide lots and would feature high-end move-up homes. She explained she took all the previous council feedback into consideration, as well as meeting the wetland and endangered species requirements, before bringing this plan back to the council.

Mr. Fair discussed the homes he would be constructing, noting most of the lots would be 80 feet wide and would have a four-car garage with an option for a sport court.

Mayor Sanders stated he believed the addition of Jonathan Homes would benefit this development.

Councilmember Larson requested further information on which homes were Pulte and which were Jonathan Homes on the plan. Ms. Daily-Severs reported the 70-foot wide lots were Pulte and the 80-foot wide lots were Jonathan Homes.

Councilmember Massoglia indicated there was a lot of space in the southwest corner of the parcel that was untouched. He suggested this corner be made an outlot and that the developer then work to incorporate 80 foot wide lots throughout the development. Ms. Daily-Severs reviewed the location of the wetlands and ditches. She discussed how the wetlands were impacting the amount of developable land and lot sizes.

Councilmember Fleming thanked the developer for reworking the plans and appreciated the fact the developer would be constructing high level homes.

Councilmember Newland supported the plans moving forward.

Councilmember Robertson thanked the developer for taking into consideration the feedback the council provided previously. She stated she understood this was a difficult parcel to develop given the wetlands and ditches. She asked if this development would be connected to Lakes Parkway. Director of Engineering Schluender stated this would be a discussion the council would have to have in the future.

Councilmember Robertson indicated these would be important conversations for the council to have because this infrastructure would change the landscape of the entire area, adding she wanted to ensure the future fire station would have proper access to roadways.

Councilmember Ford commented he supported the proposed development plans.

Councilmember Larson asked if the future residents would participate in a cost share for the infrastructure. Mr. Schluender explained this would be part of the discussion the council has regarding the future infrastructure. Mr. Fair anticipated there could be some cost sharing with the developer, but noted this would not be a fully funded project by the developer.

Councilmember Larson stated she appreciated the proposed housing plans and that there would be two different home builders in order to offer a variety of housing styles within this development.

Mr. Fair thanked the council for the feedback and stated his next step would be to begin working with the DNR on the proposed plans.

3.2. 2026-126 Jim Peterson Park Improvements Project (30 Minutes)
 Sponsors: Jerome Krieger, Park and Recreation Director

Parks and Recreation Director Krieger shared a background report. It was noted this item was tabled at the June 1, 2026 city council meeting to be brought back for the workshop on June 8, 2026. The council identified certain things they'd like to discuss at the workshop, including project scope and use of park dedication funds. Information will be presented at the workshop on legal use of park dedication funds. The city council previously approved a budget for the Parks Capital Improvement Program for the Jim Peterson Park Improvements in 2023, 2024, and 2026. City council awarded WSB a contract to prepare final design of plans and specifications with File Motion No. 2025-132 on June 2, 2025. Improvements will include construction of a paved ice rink, parking lot expansion (to accommodate lack of parking for baseball games and tournaments), water and sanitary sewer extensions to a warming house/concession building (to be discussed in the future), storm sewer improvements and construction of a stormwater basin. Bids were received electronically at 2:00PM, May 14, 2026, for Project No. P2606. A total of 12 bids were received, ranging from \$395,661.17 to \$735,110.45. The following three (3) lowest bids were received (full bid tabulation attached) and engineer's estimates are as follows:

ODESA II LLC	\$395,661.17
Dunaway Construction	\$463,330.55
Bituminous Roadways Inc.	\$519,799.25

Mr. Krieger explained city council is also asked to approve a 10% contingency to bring the total project budget to \$435,227.29. The funding sources for this project are the Parks Capital Improvement Program budget funds and there are sufficient funds budgeted to cover these costs. The project has been included in requests through the city's Capital Improvement Plan (CIP) in 2023, 2024, and 2026 within the Parks Development Fund (404), which receives its operating revenues solely through park dedication fees. No property tax dollars are allocated to this fund. This project was previously identified in the CIP as projects PRK230500 - Jim Peterson Field and Hockey Lighting, PRK230600 - Jim Peterson Hockey Rink, and P2606 - Jim Peterson Parking Lot Expansion, with appropriations of \$335,000 in 2023, \$625,000 in 2024, and \$174,950 in 2026, bringing the total project budget to \$1,134,950. To date, \$327,174 has been encumbered among the projects. He provided further information on the proposed hockey rink, noting the rink could be used for five pickleball courts in the summer months. Staff requested feedback from the council on how to proceed with the park improvements at Jim Peterson Park.

Councilmember Massoglia stated his main concern was with the overall budget and the impacts to the city's parks. He indicated the perception at this time was that the city could not maintain the parks it already had and questioned if it was in the city's best interest to continue to expand the city's parks and park amenities.

Councilmember Fleming inquired if people would reserve the hockey rink or would this rink be used for open skating. Mr. Krieger explained the rink would be used for open skating but could be reserved by local hockey associations.

Councilmember Robertson commented she does not have any issues regarding the hockey rink, but did have questions regarding the warming house. She questioned how much of the \$395,000 was for the utility connection for the warming house. Mr. Krieger reported none of the \$395,000 was for the warming house.

Councilmember Robertson suggested the areas of the park that are no longer being mowed be turned into community gardens, noting this may assist the city with long-term maintenance expenses.

Mayor Sanders reported the council would be discussing park maintenance issues at the fall retreat.

Councilmember Robertson explained she did not have a problem with the parking lot maintenance or the movement of the hockey rink at Jim Peterson Park. She stated her only concern was with the warming house. Mr. Krieger indicated when the park was built, sanitary sewer and a water line was run to the area to serve a future building. He offered further information regarding the full-time staff members that work to maintain the Lexington Athletic Complex and Jim Peterson Park in the summer months. He commented on how the new hockey rink would offer additional pickleball courts for the community. He stated as neighborhoods were developed throughout the city park land was dedicated to the city and now Blaine had 67 parks to maintain. Based on national averages, he stated the city should be closer to 40—some parks.

Councilmember Fleming asked if the other hockey rinks in the city have warming houses or trailers. Mr. Krieger reported the city has warming houses. He stated he was looking at a small warming house (30' x 40') for Jim Peterson Park that would have an area to put on skates, family-style bathrooms and a concession area for the rink attendant.

Councilmember Fleming questioned how much it would cost to install the utilities at a future date. Mr. Schluender estimated this cost to be \$75,000.

Councilmember Fleming commented she would like to see the park remaining as is with the installation of the utility lines.

Councilmember Massoglia asked if the new rink was used last winter. Mr. Krieger reported the rink was used, but the city had to rent lights. He explained the proposed improvements would put lighting in place around the new rink. City Manager Thorvig reported the general skating rink would go away through the expansion of the parking lot.

Councilmember Newland stated the lights made all the difference for this park and the hockey rink usage and said he supported expanding the parking lot to address the parking issues within Jim Peterson Park. He indicated moving the rink and creating additional pickleball courts was a great idea. In addition, he supported the city putting in the infrastructure for a future warming house now. He explained he looked forward to having a further discussion regarding the future maintenance of the city's parks.

Councilmember Larson asked if soccer would go away at this park. Mr. Krieger indicated the city has gone away from soccer, given the proximity to the National Sports Center.

Councilmember Larson explained her children play hockey and they utilize the outdoor rinks with lights. She supported the city moving forward with this project along with the installation of the utility lines and pickleball courts.

Councilmember Ford stated he supported this project and agreed the park maintenance issues needed to be further discussed by the council.

Councilmember Massoglia indicated he could support this project moving forward but encouraged the council to consider the overall long term cost to the city. He supported the council putting this project on pause until further discussions could be held by the council regarding long-term maintenance costs.

Councilmember Fleming clarified for the record that funds have already been set aside for the improvement project at Jim Peterson Park. Mr. Thorvig reported this was the case.

Councilmember Fleming suggested the council put all future park projects on pause until a future discussion could be had regarding overall park maintenance.

Councilmember Massoglia reported the council has budgeted for park items into 2030 and he did not want the city to continue to overspend for park items when park dedication funds could be better utilized. Mr. Thorvig reported in the 2026 CIP there were park improvement funds in the amount of \$500,000 and \$450,000 for trail maintenance. He commented further on the items that could and could not use park dedication fees.

Councilmember Robertson supported this project moving forward but would not support the expense for the installation of the utility lines. Mr. Krieger stated the lowest bid came in \$70,000 below the engineer's estimate which would cover the cost for the utility line installation. He reiterated that this project was utilizing park dedication funds and not levy dollars.

Project Engineer Brent Larson discussed how a water line would have to be installed as part of this project in order to assist with flooding the rinks.

The consensus of the council was to direct staff to bring this item forward for consideration at a future council meeting.

3.3. 2026-127 2027 Budget - General Fund Budget and City Tax Levy (90 Minutes)
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated at the February 18 city council workshop, staff outlined a draft 2027 budget calendar and several process improvements. Following this, the city manager and finance department held small-group sessions with council members throughout late March and early April to align on data-driven assumptions for operating, capital, and debt requirements, specifically focusing on maintaining current service levels. These discussions culminated in a set of council-driven considerations and themes for the 2027 budget, which were reviewed at the April 13 city council workshop and are outlined below:

- Support for equitable staff compensation & professional development
- Levy increases to support the reduction of debt; not new spending
- Control costs through innovation & process improvement
- Reduce reliance on the property tax levy
- Leverage unrestricted reserves to fund nonrecurring items
- Prioritize core municipal functions & customer service
- Sustained investment in previously deferred infrastructure improvements
- Consider future budgets and levies beyond 2027
- Continue periodic review of budget to actuals

Mr. Zimmerman reported this first formal workshop begins the annual process of aligning city council priorities with financial resources, ensuring the city delivers high-quality services at a responsible tax level. While these early discussions rely on preliminary numbers and assumptions, they establish clear expectations for staff and create a more efficient path forward. Feedback from this session will directly shape the development of the city manager's 2027 budget recommendation, scheduled for presentation at the August 10 city council workshop. If further review is needed, additional time is available during the September 9 Workshop before the preliminary tax levy is formally certified at the September 21 city council meeting. Because this document is being prepared in late May, many assumptions continue to be made based on trends in prior years' financial performance. Several factors may impact the final budget, including legislative changes, state mandates, economic shifts, and union negotiations. Estimated assessed values for

taxes payable in 2027 have not been provided by the county assessor, so at this time staff is unable to prepare an estimated tax capacity rate or impact scenario on the median valued single-family home. Additionally, metro-wide fiscal disparity information isn't anticipated until sometime in late August, which staff also need to calculate an accurate estimate of tax rate/impact. In addition to the 2027 specific concepts shared by the council, staff continue to hold these fundamental fiscal principals throughout the year:

- Evaluate and acknowledge both the short and long-term impacts of all budgetary decisions
- Stabilize revenues and expenditures, and eliminate unanticipated variances
- Fund operations at a level to provide quality services at a reasonable cost
- Preserve structural balance and appropriate fund balance levels to mitigate future risks
- Consider additional investments when they help achieve the city's goals and provide a significant return to the community
- Seek to make a connection between resources and results

Mr. Zimmerman commented also discussed at the February 18 workshop was the creation of a budget subcommittee which was supported by council and how Mayor Sanders had selected Councilmembers Fleming, Massoglia and Robertson to be part of the subcommittee. The purpose of the group is to provide guidance on council presentations and what information is most important for council to make decisions and introduce budget concepts that would be presented to the full council for discussion. This group met in late May to review the June 8 workshop materials and discuss various policy items which relate to future budget discussions about capital and debt. Staff provided further information on the 2027 preliminary budget and requested feedback from the council on how to proceed.

Councilmember Larson expressed concern with how capital purchases were made in the past and how there was a lack of responsibility.

Mayor Sanders reported for many years there was pressure for a no-levy increase throughout Anoka County and the council was now having to address these past decisions. He said he appreciated how the council was now planning for expenditures 10 to 15 years down the road.

Mr. Thorvig described how the levy climate for the city will be more stable after 2030 because of the decisions the council is making now then discussed how staff had reviewed the travel/training expenditures for 2027 along with prefunding capital expenditures going forward. He commented further on the work that was being done by the budget subcommittee.

Mayor Sanders explained the subcommittee would allow staff and several councilmembers to take a deeper dive into the budget, adding it was his hope the council would be able to approve future budgets on a unanimous vote.

Mr. Thorvig reviewed the budget calendar for the remainder of the year, noting he hoped to receive feedback on the general fund budget.

Mr. Zimmerman asked for service changes, additions or modifications that should be made to the budget.

Mayor Sanders questioned what a one-point reduction in the levy would cost in budget reductions. Mr. Zimmerman reported there would have to be a reduction in the levy of \$550,000 to reduce the levy by 1%.

Councilmember Fleming inquired what policy or service modifications were. Mr. Thorvig stated the \$85,000 mowing services item would be one way or creating more no-mow areas within the city's parks.

Councilmember Newland indicated he would like the council to focus on the desired levy percentage at this time versus letting this matter be debated at the end of December. Mr. Thorvig commented staff was at a pivotal point in the budget process and if four councilmembers coalesced around 9.7%, this would be good direction for staff. However, if the council consensus was to approve a levy closer to 8%, this direction should be provided.

Councilmember Ford commented it was difficult for him to decide on a percentage because the city was growing and services were expanding. He stated if the desire was to drop the levy by 1%, councilmembers should look to see where \$550,000 can be cut from the budget.

Councilmember Larson indicated she could not think of anything that could be cut at this time and appreciated the fact the travel expenditures were reduced.

Councilmember Fleming questioned what happened to the discussions of pushing the pavement management program off two years until the city has cannabis revenues. Mr. Zimmerman stated the city would have revenues in 2027 that could be leveraged in 2028. Mr. Thorvig commented that the council could put a pause on projects for 2027, but 2028 projects could proceed.

Councilmember Larson said she did not believe the city could delay street improvements for two years because residents were asking for improvements to both streets and trails.

Councilmember Robertson asked if there was any support for a levy lower than 9.7% as she would not be able to support a levy this high. She stated if there was no support for a lower levy, the consensus of the council would move forward and she would continue to voice her objections. She indicated there was a reluctance to make cuts or consider reductions in the budget and while she understood this would come with difficult choices, she was willing to have these discussions.

Councilmember Fleming explained she would be willing to discuss these things because she would like the budget to receive five or more votes then questioned what percentage Councilmember Robertson and Councilmember Massoglia would support.

Councilmember Massoglia stated he would support a levy increase of 5%.

Councilmember Robertson questioned if the city had to spend \$1.6 million in capital expenditures in 2027. Mr. Thorvig explained these dollars would not all be spent but rather

would assist the city with setting dollars aside for prefunding purchases in 2030.

Mayor Sanders reported the two biggest increases in the levy were personnel and debt service. He stated he was willing to look at how to bring down the levy increase but wanted to understand if the city would be harmed in the future through the process. Mr. Zimmerman discussed the items that were non-negotiable due to how they would impact the city's financial metrics for future borrowing. Mr. Thorvig explained there would be future discussions on capital and debt this summer.

Councilmember Ford stated that based on his experience, it would be easier to take large items out of the budget versus taking out a number of small items.

Councilmember Fleming reported a 5% levy increase may not be realistic given how the three non-negotiable items had already created a levy increase of 7.5%.

Councilmember Massoglia stated he was considering the past 10 years of 10% budget increases. He indicated the city's budget has gone from \$25 million to \$60 million and anticipated there were expenditures that could be cut.

Mayor Sanders commented on how the city population had increased from 54,000 to over 80,000 in the past 10 years. Councilmember Massoglia said he understood that but indicated there were budget items that were increase increasing at an alarming rate and he wanted to see cuts.

Councilmember Fleming indicated the council could not change the decisions that were made in the past. She stated the council could not reduce workers' compensation because this will impact the city's AAA bond rating.

Councilmember Massoglia stated there were a lot of other considerations that could be made to the budget, such as covering the cost of park improvements with park dedication funds instead of levy dollars. Mr. Zimmerman reported the budget process was challenging and noted staff was working to be consistent with the council. He indicated there were nuances with park dedication funds because the funds were becoming stagnant. He reiterated that assumptions were made and some details were missing from the preliminary budget.

Councilmember Robertson explained she wanted to see the city being good stewards of taxpayer dollars and noted she has not voted for past budgets because there were expenditures she did not support.

Councilmember Ford suggested this item be closed for this meeting and that capital expenditures and debt be further discussed at the July workshop meeting.

Mayor Sanders thanked staff for reducing the travel and training expenditures, adding he understood there was not much more room to make cuts and was of the opinion the budget did not have a lot of extras, including some who would believe the city was not doing enough when it came to parks and trails.

4. Other Business

Mayor Sanders invited the council to attend a Flag Day event at the Cub Foods at Northtown on Saturday, June 13 at 9:00AM then noted the ribbon cutting ceremony for Asia Village would be held at Northtown that same day.

5. Adjournment

The workshop adjourned at 8:09PM.



Signed by

A handwritten signature in black ink, appearing to read "Tim Sanders", written over a horizontal line.

Tim Sanders, Mayor

Signed by

A handwritten signature in black ink, appearing to read "Catherine M. Sorensen", written over a horizontal line.

Catherine M. Sorensen, City Clerk