



City of Blaine

City Council Workshop

July 13, 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 by Mayor Sanders at 5:35PM.

2. Roll Call

PRESENT: Mayor Tim Sanders, Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia (arrived at 5:47PM), Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Erik Thorvig; Captain Mychal Rygg; Finance Director Jason Zimmerman; Assistant Finance Director Kyle Stasica; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; Public Works Director Nick Fleishhacker; and Director of Parks and Recreation Jerome Krieger.

3. New Business

- 3.1.** 2026-142 2025 Annual Comprehensive Financial Report (ACFR) and Audit Review (30 Minutes)

Sponsors: Jason Zimmerman, Finance Director

Assistant Finance Director Stasica stated Minnesota Statutes require that cities issue an Annual Comprehensive Financial Report (ACFR) prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with those principles by a firm of licensed certified public accountants or the Office of the State Auditor. This report

consists of management's representations concerning the finances of the city. Consequently, management assumes full responsibility for the completeness and reliability of all financial information presented in this report. The City of Blaine's financial statements have been audited by Redpath and Company, Ltd. (Redpath), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessed the accounting principles used; and significant estimates made by management; and evaluated the overall financial statement presentation.

Andy Hering, Partner from Redpath, provided the council with an overview of the 2025 audit process, financial documents and results. He commended the city for receiving a clean or unmodified opinion and was pleased to report the city had no internal control findings. He discussed the escrows the city had that were older than five years and thanked staff for addressing this matter. He reported the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its Annual Comprehensive Financial Report for the year ended December 31, 2024. This was the 43rd consecutive year that the city has achieved this prestigious award. To be awarded a Certificate of Achievement, the city published an easily readable and efficiently organized report. Staff believes this year's report will satisfy the requirements and will submit the finished Annual Comprehensive Financial Report to the GFOA for consideration. He commented on the city's general fund balance, revenues and expenditures for the previous year. He noted the city's general fund balance was approximately 30% and most cities had a fund balance policy closer to 40%. He provided further information on the audit and noted he was available for comments or questions.

City Manager Thorvig thanked Finance Director Zimmerman, Assistant Finance Director Stasica and the entire finance team for their efforts on the 2025 audit.

3.2. 2026-143 2027-2031 Parks and Open Space Capital Improvement Plan
Sponsors: Jerome Krieger, Park and Recreation Director

Mr. Thorvig stated discussed how staff would be presenting three different capital improvement plans to the council at this meeting. He noted the first would be the parks and open space CIP.

Parks and Recreation Director Krieger discussed the number of parks, park amenities and miles of trails in the community. He described how staff and residents oversee, maintain and improve the city's parks. He reviewed the park improvement projects that were completed in 2025 and would be completed in 2026. He commented on how the park and open space capital improvement plan (CIP) serves to establish an outline of the significant investments proposed in the city's park and recreation infrastructure. The intent is to provide a blueprint for the management, maintenance, and future enhancements of public park amenities to ensure they meet the expectations of residents and visitors. Projects are proposed based on staff assessment of facilities and infrastructure, the parks master plan, and input from the community, city council, park board, and natural resources conservation

board. There are three categories and funds under which park projects can be classified which are neighborhood park improvements fund, parks development fund, and open space fund.

Finance Director Zimmerman commented on the adjustments being proposed for the 2027 budget, noting the neighborhood parks fund was reduced by \$75,000. Staff provided further comment on the projects that were planned for 2027 through 2031 and requested feedback from the council.

Mr. Thorvig reported staff was pursuing a grant to assist with the Blaine Wetland Sanctuary (BWS) trails, noting this project had been pushed out to 2031. He further discussed how incremental increases in the levy were proposed in order to assist with funding future park improvements as development in the community slows and/or stops. He commented further on how staff was considering contracting out mowing services for the city's parks for 2027 with the \$75,000 that was within the parks levy.

Councilmember Newland asked if the intent was to eliminate the "no mow" areas within the city's parks. Mr. Thorvig stated there were areas that made sense to remain "no mow" areas, but noted there were other areas of concern that needed to be mowed. He recommended if the city goes down this route, there needs to be intention and thought to the areas that are mowed or not mowed.

Councilmember Newland reported when he served on the park board the CIP was difficult for him to follow. He explained he appreciated how the park board and staff moved projects around. He believed the CIP was well-thought-out. He asked if there would be a surge of the city's older parks that require maintenance at the same time. Mr. Krieger stated with the amount of work the city has done in the past 10 years, the city was starting to catch up with the overdue maintenance and park improvements.

Councilmember Newland stated he was supportive of the parks and open space CIP.

Councilmember Massoglia indicated he supported the reduction in the levy to supplement the mowing contract and thanked staff for coming up with this idea. He encouraged staff and the council to consider how to continue to fund park improvements, as development will begin to slow in the city. He said it was his hope the city would receive grant funding to assist with the BWS trails, noting the BWS was a regional asset. He encouraged the city to rethink the final park in the northwest corner of the city. He suggested the open space being proposed to be donated to the city be considered for a park. He noted he would like to see park dedication dollars being used for playground and park shelter replacements going forward.

Councilmember Fleming explained she supported the levy reduction as well. She supported the city addressing the "no mow" areas. She also supported the council having a broader discussion on parks and the future of the city's parks and future maintenance. She suggested the city receive feedback from the neighbors before any further "no mow" areas are implemented.

Councilmember Ford commented he supported the proposed levy reduction. He recommended the council have a discussion about how parks will be funded in the future

after development slows down.

Councilmember Robertson stated she did not support the parks and open space CIP as proposed. She indicated she needed more information about the future of the city's parks before she could support this item. Mr. Thorvig reported the parks and open space CIP was a five-year plan and that there would be four projects completed in 2027 along with trail improvements.

Councilmember Larson thanked staff for the detailed presentation and for addressing the "no mow" concerns. She explained she wanted to learn more about the necessity of the new park in the northwest corner of the city. Mr. Thorvig stated this new park was identified in the CIP in 2030, but this park timeline will be determined by how fast this area develops.

Mr. Krieger thanked the council for their feedback and reiterated the parks and open space CIP was a five-year plan, noting the proposed projects were placeholders.

3.3. 2026-144 2027-2031 Pavement Management Capital Improvement Plan
Sponsors: Daniel Schluender, Director of Engineering

Director of Engineering Schluender stated the city of Blaine has a commitment to its residents and the traveling public to maintain the over 270 miles of city streets in a condition that provides for functional, safe and efficient travel in a cost-efficient manner. Proactive pavement management is crucial for extending roadway service life and minimizing costs. As pavement deteriorates, the required maintenance treatments become more extensive and expensive. While routine activities like crack sealing and pothole patching are common and visible, periodic, more intensive pavement maintenance is also necessary to maximize a street's lifespan. Without consistent maintenance, a street may require full reconstruction in under 25 years. Numerous factors, including underlying soil conditions, initial street construction, traffic loads, and stormwater drainage, significantly influence the deterioration rate of any given pavement section. By applying the right treatment to the right pavement at the right time, and using the correct materials, cities can prevent roads from degrading to a point where more costly interventions are necessary. This means implementing periodic pavement improvements, such as seal coats and bituminous overlays, when roads are at a critical point in their deterioration curve. Such proactive measures are not only more effective in preserving infrastructure, but they are also significantly less expensive for taxpayers as opposed to neglecting maintenance and being forced into expensive full reconstructions. Ultimately, prioritizing preventative treatments over reactive, corrective measures is the most fiscally responsible and effective approach to maintaining a city's roadways.

Mr. Schluender reported the city's most recent pavement condition index, which was completed in 2022, showed the overall roadway score was 79, which is considered very good and an improvement from the 2019 report, which provided a score of 74, demonstrating the positive impact of the city's commitment to pavement projects and funding provided to increase project size between measurement dates. On May 18, 2026 the City Council awarded a contract to GoodPointe Technology to complete the 2026 PCI survey. With industry standards calling for PCI updates every three years, the results of this

analysis will be an important resource for engineering staff in the development of future PMP plans. The Pavement Condition Index (PCI) was developed by the United States Army Corps of Engineers during World War II to assess a pavement's condition and assign a numerical value that represents overall condition. The PCI is a composite numerical rating between 0 and 100 that describes the pavement condition based on the type, extent and severity of distress. A PCI of 100 represents a pavement in excellent condition, and a PCI below 10 represents a pavement that has failed or reached the end of its service life. Staff provided a breakdown of the street projects that were proposed for 2027 through 2031 and requested feedback from the council.

Councilmember Newland questioned how early the city let neighborhoods know their streets were slated for reconstruction. Mr. Schluender stated the residents living on the streets planned for 2027 would be notified in November or December of this year.

Mr. Zimmerman provided further information on how the proposed street improvement projects for 2027 would be financed.

Mr. Thorvig commented on the next phase for the franchise fees, noting he anticipated public hearings would be held in August. He stated the goal was to have the negotiations completed by the end of the year in order to have franchise fees being collected in 2027 to use these resources for street improvement projects in 2029.

Councilmember Newland asked when the council would decide how to allocate the franchise fees. Mr. Thorvig indicated the plan would be to collect fees in 2027 and the city would have cash on hand to fund the 2029 street improvement projects, adding that he anticipated the council would be making a decision about the franchise fees in 2028. Mr. Zimmerman reported the intent would be for the city to have funds on hand and the council could then decide which projects to move forward for the next year.

Mayor Sanders explained the council could make a policy statement about how the franchise fees would be directed and a policy could be formalized in 2028. Mr. Thorvig reported this could be the direction of the council noting the intent of the city was not to have \$5 million in additional spending, but rather to have infrastructure expenditures be covered by franchise fees.

Councilmember Newland thanked staff for spreading the street improvement projects out throughout the city.

Councilmember Larson asked if the pavement being installed today would last 25 years. Mr. Schluender commented on how roadway mixes were changing over time and indicated the roadways being installed today would still last 25 years.

Councilmember Ford thanked staff for all of their efforts on the pavement management CIP.

Further discussion ensued regarding the Highway 65 project.

Councilmember Robertson asked if there was a way for the city to reduce the amount being paid in engineering and consulting fees for the street improvement projects by having staff

in-house. Mr. Schluender explained the city currently does not have staff with experience in materials testing, wetlands, stormwater ponding and infiltration, which is why the city relies on consultants. He stated projects typically pay 20% to 30% of the project costs in consultant/engineering fees.

Mr. Schluender thanked the council for their input on the pavement management CIP and noted this item would be brought back to the council for consideration at the first council meeting in August.

3.4. 2026-145 2027-2031 Capital Equipment Plan
Sponsors: Nick Fleischhacker, Public Works Director, Joe Gerhard, Deputy Chief, Jason Zimmerman, Finance Director

Mr. Thorvig discussed how the public works, police and finance/IT departments were all involved in the capital equipment plan.

Public Works Director Fleischhacker commented on the adjustments that were made to the city's fleet and future capital equipment purchases. He reported he was in the process of hiring a fleet manager for the city and noted he was fully staffed in the mechanics division, which was assisting with the city's fleet management. He highlighted the new equipment that was purchased in 2025 and would be purchased in 2026.

Councilmember Ford asked if the city sells its surplus equipment at auction. Mr. Zimmerman reported this was the case, noting the proceeds from the auction were placed in the capital equipment fund.

Captain Rygg reviewed the police fleet needs for the coming year and described how vehicles are assessed by police staff. He described how he was working to keep fleet purchases even year after year and commented on how police vehicles were sometimes passed along to the parks department. He reported the police department had changed its vehicle build vendor, which offered the department a re-generation program. He explained the police department needed a healthy fleet of vehicles in order to keep the department fully operational then discussed the improvements needed for the police radios, noting he had applied for a \$40,000 grant to assist with this expenditure.

Councilmember Larson asked why the state was not providing funding for the new radios. Captain Rygg said he anticipated the state did not have funding to cover this expense. He estimated the city would be spending just over \$110,000 in 2027 and 2028 on new radios to meet the state's new requirements.

Mr. Zimmerman commented on the amount of computer, phone and IT equipment managed by the city and discussed the IT department purchases proposed for 2027. He explained in April the council decided to have residents remove snow from sidewalks, which would eliminate the need for three future sidewalk snow machines. He stated the expense for these pieces of equipment had been removed from the capital equipment plan. He discussed the procurement process the city has to follow for larger equipment purchases. He provided further comment on the capital equipment plan for 2027 through 2031,

highlighting how the city would be pre-funding equipment by 2029 and requested feedback from the council on the plan.

Councilmember Newland asked if the equipment projections for the public works facility included a used road grader. Mr. Fleishhacker reported this was the case, noting this piece of equipment would replace a 1991 road grader. He stated the city would need to have a road grader as long as there were gravel roads in the city. He explained he had looked into contracting these services with a neighboring community or renting a road grader, but noted these were not possibilities for the city.

Councilmember Massoglia thanked staff for their efforts to stabilize the expenditures in order to keep the amount around \$3 million per year. He commented he typically does not support the capital equipment plan because he did not understand why all the requested equipment had to be purchased. He supported the council taking a closer look at the proposed lawn mowing equipment to see if reductions could be made if contract services were being pursued. He questioned if the city needed a fleet manager and asset manager to oversee city's fleet then asked if it was necessary for the city to purchase a new bucket truck. Mr. Fleischhacker explained the city had spent over \$45,000 to maintain the bucket truck over the past few years and for this reason, it was his recommendation the city purchase a new bucket truck. Mr. Thorvig stated a closer look could be taken into the city's lawn mowing fleet. Further discussion ensued regarding the benefits of the fleet manager position.

Councilmember Ford commented on how important it was for the city to maintain and have the proper fleet vehicles in place for city employees. He stated the city could either pay for maintenance costs or the city could pay for vehicles, but one way or another, the city was going to pay.

Councilmember Fleming explained that as a chiropractor she could not speak to what it takes to run the public works department or the police department and asked staff to speak further as to the necessity of the UTVs. Captain Rygg explained the UTVs would be used as emergency response vehicles during the USA Cup, 3M Open, the Johnsville area garage sale, and other large events. In addition, UTVs are used to respond to emergencies in the BWS.

Councilmember Robertson discussed her concerns with the 2027 capital equipment plan, noting she believed additional reductions could be made.

Mr. Thorvig thanked the council for their feedback and reported the budget would be brought back to the council at the August 10 workshop meeting.

4. Other Business

None.

5. Adjournment



Signed by

Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, City Clerk

The workshop adjourned at 8:10PM.