City of Blaine
Anoka County, Minnesota
Minutes
City Council Workshop

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

While this is a public meeting where interested persons are welcome to attend, it is a work session for City Council and staff to discuss issues before them. It is not for the purpose of receiving public input.

To participate in the meeting remotely join the Zoom Webinar at https://blainemn.zoom.us/j/98617282628

Questions? Email - Communications@BlaineMN.gov

Monday, August 10, 2020 **6:15 PM** **Council Chambers and due to the COVID-19 pandemic, city meetings will also be held as virtual meetings**

NOTICE OF WORKSHOP MEETING

1 Call to Order

The meeting was called to order by Mayor Ryan at 6:15 p.m. Due to the COVID-19 pandemic this hybrid meeting was held both virtually and in person.

2 Roll Call

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Planner Lori Johnson; City Attorney Patrick Sweeney; Communications Technician Roark Haver; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

Present: 7 - Councilmember Garvais, Councilmember Jeppson, Mayor Ryan, Councilmember Swanson, Councilmember Robertson, Councilmember Paul, and Councilmember Hovland

3 New Business

3-1 **POTENTIAL EXPANSION OF BEEKEEPING TO SINGLE FAMILY DISTRICTS**

City Planner Johnson stated at the July 6, 2020 City Council meeting, residents spoke during the open forum requesting the city allow for the keeping of honey bees in residential areas within the city. The council requested staff prepare a report

for an upcoming workshop. Currently the city allows for bees as farm animals within the Farm Residential and Agriculture zoning districts. The Farm Residential district is primarily located in the northeast area and generally serves as a placeholder zoning district for land anticipated to be developed in the future. Only one property in the city has Agricultural zoning and it is currently an active farm protected from development as an agricultural preserve. Farm animals are not permitted in the R-1 or other suburban style single family districts. She discussed the process that was followed by neighboring communities. Staff commented further on the concerns regarding allowing beekeeping in the R-1 Single Family zoning district and requested feedback from the Council.

Councilmember Swanson stated he had 10 hives when he lived in Lindstrom. He indicated there was no way to have enough flowering plants on one lot for one bee hive and explained bees would be flying everywhere. He commented the 200 feet notice was not enough and recommended notifications be sent to properties within 400 feet of the home requesting a hive. He discussed how people could become allergic to stings when an allergy didn't previously exist and suggested a citywide hearing be held if the Council were to move forward with the expansion of beekeeping. In addition, he recommended that the U of M be invited to speak about beekeeping.

Councilmember Jeppson said she understood it took a great deal of care and knowledge to keep bees and indicated there was a growing popularity to keep bees and would support an ordinance amendment. She recommended notifications be sent to properties within 400 feet. She suggested that if anyone within the 400 feet has an allergy that the request be denied. She supported the beehive permits being renewed on an annual or bi-annual basis.

Councilmember Robertson stated honeybees have a bad reputation and anticipated the City would have to provide the public with information on honeybees in order to get the facts out there. She understood honeybees need a natural habitat because they will travel to find water, nectar and pollen. She suggested lots be one-half acre in size or larger in order to have bees. She discussed the investment that was made by beekeepers. She explained she would need to see a residents' plan up front before making a decision to support a beekeeping request. In addition, she supported the beekeeping permits being reviewed every year or two.

Mayor Ryan commented he supported beekeeping in Blaine but anticipated this should only be allowed on larger lots. He feared that the more densely populated areas of Blaine would not be conducive to the keeping of bees.

Councilmember Hovland stated he was in favor of allowing bee hives in the Farm Residential zoning district. He agreed beehives should not be allowed on lots

smaller than one acre.

Councilmember Garvais commented public input would be needed prior to this item moving forward. He understood the world had a bee issue and for this reason would be interested in working with the U of M to learn more about how to improve bee health in the community. He stated he could support a hybrid approach for beekeeping that increased the notification area, had larger setbacks, and required an annual application process.

Councilmember Paul discussed concerns some residents may have regarding bees and beekeeping. It was his hope the Council could move this item forward with input from the public.

Mayor Ryan shared concerns about the possibility of some not knowing they had an allergy and requested public comments on this matter start in 2021.

Councilmember Robertson stated it would be valuable to begin these discussions while Councilmember Swanson was still on Council given his knowledge of beekeeping and recommended this matter be brought to the public with a stringent policy should be in place.

Community Development Director Thorvig reported staff would take the recommendations and comments from the Council into consideration and would draft a beekeeping ordinance.

3-2

2021 PRELIMINARY PROPOSED BUDGET

Finance Director Huss stated at the July 13, 2020 workshop, staff presented to Council an update of the 2021 General Fund Budget. The information included an update on non-levy revenue projections, the base budget proposals from department heads, and three levy scenarios that could be used in the development of the 2021 budget. The three scenarios were reviewed in further detail. Council consensus was to develop the preliminary budget within the framework of a tax levy that would yield a tax rate equal to the all-levy tax rate of 2020 - 36.802%. This is consistent with previous years' budget process at this stage of the budget and tax levy development. There was also some interest in developing an alternative scenario with a levy that factors out the inflationary increase to existing property values and provides for a levy increase based solely on new construction within the City. A preliminary budget has been prepared under this alternative levy scenario as well. Staff explained in addition to base budget proposals, department heads have submitted proposals for new programs or new positions. Proposals for a new position or program are classified as "Decision Packages". The City Manager is in the process of reviewing the submitted decision packages for inclusion in the recommended budget. Once the City Manager's review of the packages is

complete, the packages will be incorporated into the 2021 Proposed Budget and be presented as the City Manager's Recommended 2021 General Fund Budget. Staff discussed how COVID-19 would impact State aid funding in 2021.

Councilmember Jeppson requested further information regarding the expense of building new homes and how it was becoming increasingly difficult to build affordable housing. Mr. Huss explained developers were raising concerns about regulatory fees (building permit and development fees). He reported property taxes paid by new construction was another matter. He commented further on how property taxes were paid based on taxable market value.

Councilmember Hovland understood there was a year-long lag in property valuation and the payment of property taxes. Mr. Huss stated this was correct and noted this was not a perfect process or system. He discussed how the proposed levy impacts the City's tax rate.

Mr. Huss explained the budget would be reviewed again by the Council on September 9 and the preliminary 2021 tax levy and budget would be approved by the Council on September 21.

City Manager Wolfe commented the budget would also be addressed by the Council at the October retreat. She stated staff could go into further detail regarding compensation and benefits at the retreat.

Mayor Ryan discussed how the rising price of homes would be impacting first time homebuyers. He feared that first time homebuyers would no longer be able to find a home in Blaine.

Councilmember Paul questioned how the budget would take into consideration inflation for the coming year. Mr. Huss discussed how inflation on homes in Blaine was at a higher rate than the goods and services purchased by the City. He reported staff would prepare a levy and budget based on the Council's priorities.

Councilmember Swanson stated his only concern with this budget was that the City was going into too big of a retreat and in two years a large increase would be required in order to maintain the same level of services. He commented inflation should be taken into consideration.

Ms. Wolfe summarized direction from the Council was to maintain the same tax rate and indicated program enhancements, options and additions were going to be presented to the Council for further consideration on September 9 then applauded staff for taking into consideration the direction of the City Council while still meeting the needs of the City.

3-3

CARES FUNDING UPDATE

Attachments: CARES Update 09-09

Mr. Huss stated at the August 3 Workshop, staff updated the Council on the CARES Act program and the work to date on securing the funding and establishing a funding plan. Later that evening at the City Council meeting, the City's Small Business Grant Program, funded with a portion of the $5 million in CARES funding the City has received, was approved by Council.

Mr. Thorvig discussed how staff has been working on the Small Business Grant Program noting he had met with Baker Tilly to finalize the online application portal. His plan was to open the portal on Monday, August 24 for 10 days in hopes of getting the funding to businesses in the next four or five weeks.

Councilmember Jeppson questioned how much Baker Tilly would be charging the City for their assistance. Mr. Thorvig reported the contract was for an amount not to exceed $28,000. He stated he hoped to only expend half that amount and noted CARES Act dollars would cover this expense.

Mr. Huss commented further on the consulting services Baker Tilly would provide the City for monitoring and utilizing CARES Act funding. He reported Baker Tilly would be researching and providing oversight on how the City can best use these funds. He explained a master service agreement would be coming forward for the City Council to consider at a future meeting.

Ms. Wolfe indicated the City has been granted a great deal of money through the CARES Act and she viewed the Baker Tilly agreement as a risk management matter. She commented Baker Tilly had expertise in this area and could greatly assist the City while working through the utilization of these funds.

Councilmember Garvais stated he supported the proposed master service agreement with Baker Tilly. He explained he wanted the City to get the CARES Act funds to local business owners as quickly and efficiently as possible and understood City staff may require assistance with this process, given the fact staff was already working through the budget process and other COVID-19 related issues.

Councilmember Jeppson indicated government funding came with a great deal of strings attached and for this reason supported the City working with Baker Tilly on this matter.

Councilmember Swanson stated he supported the agreement with Baker Tilly. He

asked if staff had looked into helping local food shelves. Mr. Huss commented a third part of the CARES Act funding had staff developing assistance options for local non-profit businesses. He noted staff was also taking note of items that would be covered at a staff level, such as overtime, required technology upgrades, PPE and plexi-glass. He indicated some election expenses could also be covered by CARES Act dollars.

Councilmember Garvais requested the City look into providing assistance to the school districts, if allowed, given the fact a number of students were facing mental health issues due to COVID-19. Ms. Wolfe commented dollars may be heading to school districts to address this concern.

Councilmember Jeppson thanked staff for their efforts regarding the CARES Act funding. She stated she did not want to pigeonhole dollars given the fact everyone needs money at this time.

Councilmember Garvais understood this concern. He explained he would like dollars offered to the school district to assist with mental health issues if possible, given the fact mental health was a concern for schools pre-COVID and has exponentially increased due to COVID.

Mayor Ryan stated it would be great if Blaine was able to set up a COVID testing site as it would be a great benefit to the community.

3-4

COVID-19 IMPACTS

Ms. Wolfe discussed the great work the Parks Department was doing on the Adopt a Park Program. She reported 16 parks had been adopted and noted a group had cleaned up Aquatore Park last week.
Councilmember Jeppson stated the Twin Cities Gateway Board had two representatives from the City of Blaine. She noted she served one of the City's representatives. She recommended the other representative be interviewed and appointed by herself and staff.

Councilmember Swanson supported this recommendation. He also recommended the City Manager serve as an alternate to the Twin Cities Gateway Board.

Councilmember Robertson asked how cities were given extra seats on the Twin Cities Gateway Board. Mr. Huss discussed how the seats were appointed based on hotel revenues. He reported it was his understanding this additional seat would remain in place. He noted this second seat would have to be filled by a hotel representative in the community.

Ms. Wolfe requested the Council call a special meeting for Friday, August 14 to

canvass the results of the primary election. The Council agreed to hold the Special Canvass Meeting on Friday, August 14 at 3:00 p.m.

ADJOURN

The Workshop was adjourned at 7:57 p.m.