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/96835854820

Questions? Email - Communications@BlaineMN.gov

Monday, July 13, 2020 **6:00 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 6:00 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 Coordinator 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

DONATION OFFER FROM BLAINE FESTIVAL FOR BANDSHELL AT AQUATORE PARK

Public Services Manager/Assistant City Manager Therres stated the Blaine Festival has indicated to city staff that they would like to donate $75,000 of their charitable gambling funds to the city for the construction of a band shell/performance stage at Aquatore Park. The performance stage is an improvement listed in our Park

Master Plan for Aquatore Park with an estimated cost of $400,000, but does not a have a timetable for its construction or council determination that it is going to be part of any improvements to Aquatore Park. The City Council can accept the donation and set it aside until such time as the performance stage is put into a capital plan, or enough funds have been donated for the construction of the performance stage. Alternatively, the city can decline the offer until the performance stage is decided to be part of the Aquatore Park improvements and placed into a capital improvement plan.

Councilmember Swanson supported the City considering an amphitheater. He suggested the City accept the donation and put aside until additional bonding could be completed then recommended the Council consider doing this project sooner rather than later.

Councilmember Jeppson thanked the Blaine Festival for their very generous gift then commented that at this point this project was more of a want versus a need for the City. She questioned if the Blaine Festival wanted to make this donation at this time or if the donation should be made in the future.

Councilmember Robertson indicated this donation presents a unique opportunity for the City to complete projects that would typically be bonded. She explained the City could promote this as a community partnership and the $75,000 donation would be an amazing jumpstart to gain additional community partners. She thanked the Blaine Festival for their generous donation and suggested the City consider what the operating costs would be for an amphitheater in order for the Council to make a better decision.

Finance Director Huss stated there was not an avenue to bond for this project without a referendum because this was considered a recreational facility. He reported the City may not have the means to bond for this type of project.

Mayor Ryan requested the Blaine Festival Committee respond to this on how they would like to proceed.

Tim Duevel, Blaine Festival Committee, stated he would have to review this proposal with their accountant prior to making a decision if the committee should keep the money or donate the funds at this time. He explained the committee could keep the money but would then have to pay taxes on it. He reported going forward the committee would have the ability to donate more than $75,000 depending on how the year goes.

Councilmember Swanson questioned how long the committee had until they had to make a decision about the donation. Mr. Duevel explained the committee's fiscal

year ended August 31.

Mayor Ryan supported the City working jointly with the committee to make a plan for the bandshell.

Councilmember Hovland agreed the City should look into this. He recommended the City accept the donation and that the funds be set aside for a bandshell. He stated his only concern was what would happen if the funds were earmarked and the bandshell never completed. Mr. Duevel suggested the City consider drafting a three-year plan in order to put a plan in place for the bandshell.

Councilmember Swanson commented there was general interest in the donation and recommended the committee review the request with their accountant and that staff bring this item back to the Council in early August for further discussion.

Councilmember Paul supported the City accepting the donation now. He explained he wanted to hear from the City Attorney on how the City can proceed with the project and thanked the Blaine Festival Committee for their generous donation.

Council consensus was to direct staff to bring this item back to the City Council in early August for further discussion.

15 Minute Discussion

3-2

CENTERVIEW ELEMENTARY SCHOOL ACCESS POINT DISCUSSION

Attachments: Attachments - CUP

City Engineer Schluender stated Spring Lake Park Schools has submitted plans to convert the existing velodrome site into an outdoor play area/greenspace. The outdoor play area is located just south of the new Centerview Elementary school. The applicant is proposing to develop an outdoor play area which will be able to be used by Centerview students and community, by incorporating green space and landscaping connected to the school site. Also, 25-foot light standards are proposed on the new drive access and play area to be consistent with the existing school.

Mr. Schluender commented in addition, the school district is proposing to remove a portion of the access drive that connects their existing west parking lot to the parking lot of the National Sports Center on the east side of their building. They have proposed to construct a new vehicular access from Davenport Street to align with 103rd Avenue NE. This access road would be constructed on the south side of the proposed outdoor play area. However, both accesses to the school's west parking lot for staff and buses are proposed to remain in their current location. It

was noted staff was supportive of a roadway realignment, but had some concerns with how close the two access points would be on Davenport Street. Staff supported the 103rd Avenue access to the site be closed. Staff commented further on how traffic could be routed through the site and requested feedback from the Council.

Councilmember Hovland explained he voted against the school when it was originally built because he opposed the location and stated he did not support access points on the frontage road. He commented he could support the movement of the access point to 103rd Avenue but stated he would not support the school having both access points open.

Councilmember Robertson commented on the high level of traffic along Davenport Street and stated she understood this was a concern prior to the school being built at this location. She asked if there has been traffic concerns. She discussed how important it was for schools to have a safe drop-off/pickup area. Mr. Schluender stated he was unaware of any traffic concerns. He explained the school district has done a superb job in educating parents on how to properly drop-off/pickup students at the school and indicated he has not heard of any other concerns regarding traffic at this school.

Councilmember Garvais requested further information regarding how bus traffic routed through the site. Superintendent Jeff Ronneberg discussed the route buses took to enter and exit the site. It was noted six buses come from the south and three come from the north into the property each morning around 9:05 a.m. He reported a week long traffic study was completed and he learned there was only one day where two buses were stacked at the same time. He noted the buses arrived at Centerview Elementary School at different times.

Councilmember Garvais questioned if the turn lane could accommodate two buses. Mr. Schluender reported the turn lane proposed for 103rd Avenue would accommodate two buses. Mr. Ronneberg explained it makes sense to align the entrance with 103rd Avenue. In addition, it made sense to create a clear separation between parent and bus traffic.

Further discussion ensued regarding how bus traffic accessed and exited the school property.

Councilmember Jeppson stated she understood some concerns about the school having a third access point, but noted this additional point would only be used by buses. She said from her perspective, the 450 feet needed should be striped with a bus only designation. Mr. Schluender explained it would be difficult to facilitate a bus only turn lane.

Councilmember Jeppson reported the proposed left hand turn lane was extremely close to the light. She discussed several other intersections in the City that had left hand turn lanes in close proximity to lights. Mr. Schluender stated there were several other substandard intersections in the community and explained this was due to the fact the areas had developed after existing lights were in place.

Councilmember Jeppson indicated this was a school that approved by the City. She explained there was concern about traffic and congestion when the school was proposed but she stated she has not received complaints. She reported for eight buses in one day it seemed logical to resolve this issue. She believed the 103rd Avenue access was necessary and indicated the school was willing to pay for it.

Mayor Ryan questioned who would pay for the demolition of the velodrome. Mr. Ronneberg reported the National Sports Center would be paying for the demolition.
Mayor Ryan commented the National Sports Center would never have received the access points that the school has received. He explained he has received questions as to why the school was allowed to be located on this corner. He believed the new access point made a lot of sense but supported another access point being closed.

Councilmember Robertson supported the new access point being used by eight or nine buses per day Monday through Friday. She discussed how Highway 65 would continue to evolve after the next five to ten years and how this would reduce the level of traffic along Davenport Street. She appreciated the fact that the school was trying to ease the flow of traffic for buses.

Councilmember Hovland asked if there has been any consideration given to access off of 105th Avenue. Mr. Schluender reported this has not been reviewed or discussed.

Councilmember Jeppson questioned if the additional access point were not approved if 103rd Avenue would be stopped. Mr. Ronneberg stated this was the case then commented on the issues surrounding accessing the property from the north. He reported he did not have the budget to access 105th Avenue.

Councilmember Paul inquired if the school district had met with Target and Menards to discuss the traffic access changes. Mr. Ronneberg stated he had not spoken with representatives from these organizations.

Councilmember Garvais commented ideally he would like to have everything aligned on 103rd Avenue. He understood the school had made promises about

bussing times and that there was not additional funding to add two new bus routes. He indicated he was willing to support the school district's request because it would be eight to nine busses per day, however, if there were issues in the future, the City could revisit the need to shut down this access point.

Councilmember Swanson stated he did not support the school district's request. He commented he did not appreciate the fact that the school district would not open 103rd Avenue if their proposal was not approved.

Councilmember Hovland indicated if the property were to remain as is, southbound buses could not make a left hand turn. He understood the existing turn lane was too short. Mr. Ronneberg stated two additional bus routes would have to be added if the turn lane were not installed, which was an added expense to the school district. He commented further on how the school district will have to work creatively with parents in order to get students to school this fall.

Community Development Director Thorvig reported this item was scheduled to come to the City Council on July 20.

Councilmember Garvais asked if a formal traffic study had been completed by the school district. Mr. Ronneberg stated a formal and informal traffic study had been completed.

Councilmember Garvais requested the school district provide the Council with a summary of this information.

Mayor Ryan stated he would like to see budget information on this project from the National Sports Center as he did not understand how the NSC would be able to pay for this project. Mr. Ronneberg explained the demolition would be paid for through the purchase price.

30 Minute Discussion

3-3 **2020 BUDGET UPDATE - INITIAL FINANCE REVIEW**

Attachments: 2021 GF Budget & Tax Levy

Mr. Huss presented the Council with an overview of the 2020 General Fund Budget that incorporates initial departmental requests. Although the 2020 Proposed Budget has received only a cursory, high level review from the Finance Department and the City Manager, Department heads have been extremely diligent in preparing a budget that reflects the cost containment efforts put in place in April 2020. Along with those containment efforts was direction from the City Manager to thoroughly review all needs and develop a budget that addresses basic service needs to

achieve the priorities of the City's 2020-2022 Strategic Plan. Department Heads responded and presented the City Manager with initial budget requests that are, in total, just 1% above the 2020 Adopted Budget appropriations. This is commendable, considering that salaries and benefits (over 72% of the General Fund Budget) are projected to increase 3% in 2021 per approved labor contracts. Initial budget requests for the 2020 Adopted Budget in all categories except salaries and benefits, were reviewed with the Council. Staff provided further comment on the City's existing and proposed tax rate.

Mr. Huss noted the adopted budget represents more of a crisis or downturn budget and does not include any new staffing for General Fund activities and includes limited program enhancements. As the 2021 budget is refined and the 2021 revenue picture (especially the tax levy) becomes clearer, it is likely that proposed staff additions and program enhancements will be presented to Council as separate decision packages for inclusion in the 2021 Budget. Staff requested direction from the Council on how to proceed with the tax levy.

Councilmember Swanson recommended the Council not make decisions today that will hamper the Council two and three years from now. He supported the City pursuing a tax rate that brings service levels back up considering the fact Blaine was a growing community. He cautioned the Council from digging itself into such a hole that a larger tax rate increase would be needed in the future and suggested a two-budget scenario be considered.

Councilmember Jeppson agreed maintaining the rate was the best idea. She appreciated the great decisions staff had made to maintain services without adding additional staff. She indicated this could not be maintained forever.

Mayor Ryan commented on the levy limits and appreciated how the City had made it through the tough times over the years and was proud of the City's AAA bond rating. He indicated he supported Councilmember Swanson's suggestion that two budget scenarios be created for 2021 then said he was proud of the way the City had managed itself through the COVID-19 crisis.

Councilmember Garvais stated he was in favor of going with the middle path for 2021. He supported the same tax rate and noted he would like to learn more about the increased levy for growth hybrid option.

Councilmember Robertson understood the Council had to consider the future of the City. She indicated she supported the hybrid option which would increase the levy for growth. She explained the City has learned there were some areas where staff could reduce expenses but noted the City has also shown it can weather the storm and supported a reduction in the tax rate while planning the levy for growth

increases.

Councilmember Robertson asked how the wage and benefit increases would impact the City in 2021. Mr. Huss discussed how the negotiated percentage wage increases would impact the 2021 budget.

Councilmember Jeppson reported she believed staff was extremely valuable but explained she had a hard time increasing wages for employees that were already receiving pay that was at the average line or above, especially when there were some employees below that line. She questioned how the budget would be impacted if 3% increases were only proposed for those under the line.

Councilmember Garvais supported the Council addressing employee compensation at a future worksession meeting. He understood some organizations were freezing salaries and some were making cuts. He suggested a market assessment be completed for the Council to review.

City Manager Wolfe commented this would be an important topic at a future budget discussion given the fact salaries were over 70% of the budget. She explained staff could complete an assessment and noted she has been monitoring what other cities were doing.

Mayor Ryan questioned how many people have left the City since the hiring freeze. Ms. Wolfe estimated this was five or fewer. She explained the City was actively recruiting for vacant police positions.

Councilmember Hovland asked how much additional revenue would be generated by the hybrid levy growth option. Mr. Huss stated this would generate an additional $700,000. He commented on the staffing positions that could be covered by these funds.

Further discussion ensued regarding how the hybrid levy growth option would impact Blaine tax payers.

Councilmember Swanson recommended the City start with the same tax rate and that cuts be made by the Council after that time. He stated the Council was the policymakers and should be making these decisions.

Councilmember Hovland agreed but noted it may be difficult for the Council to come to an agreement on what cuts should be made.

Councilmember Garvais questioned when the Fire Department would be coming to the City with their budget. Police Chief/Safety Services Manager Podany explained

it was his understanding the Fire Department was proposing a 0% increase for 2021. Ms. Wolfe reported the Fire Department was planning to push some capital purchases out. She indicated the Fire Board would be meeting this week and was making good progress on their 2021 budget. Mr. Huss explained the SBM JPA percentage rates were being reviewed as well. He commented the SBM model was working well while providing cost savings for the three member cities.

Councilmember Paul supported the tax levy in 2021 being the same as the 2020 levy and asked how the City would address the 3% labor and salary increase. Mr. Huss explained staff would have to accommodate for that through the City's different revenue sources. He indicated the budget would have to be structurally balanced in order to meet the priorities within the Council's strategic plan. Ms. Wolfe stated in uncertain economic times, the City had to have a downturn plan in place. She appreciated how the City has moved forward through COVID-19 but noted the City would have to meet the commitments within the existing labor contracts.

Mayor Ryan commented on how COVID-19 has impacted the economy and local jobs.

Councilmember Paul inquired how debt services would be addressed. Mr. Huss stated staff has completed an analysis on the City's debt service for 2021 and the budget or tax levy will accommodate this expense. He commented there were some better values on debt due to the pandemic. He believed the City had a good handle on its debt service.

Councilmember Swanson asked if staff had enough direction. Ms. Wolfe stated staff had received enough direction from the Council to move forward with the 2021 budget and tax levy preparation.

Mayor Ryan questioned if staff was aware of how property values in Blaine had been impacted by the pandemic. Mr. Huss reported home sales in Blaine have been strong, but he noted it was too early to tell. He commented on how property values dropped in 2007 to 2008 and how this impacted the City's tax rate. He indicated it was important that the City has been adding new homes and properties in the community.

Councilmember Swanson discussed how the value of homes in Blaine had steadily been on the rise.

30 Minute Discussion

3-4 **COVID-19 IMPACTS**

Ms. Wolfe provided the Council with an update on recent COVID-19 impacts. She reported City Hall remains open via appointment. She indicated most services were being provided quite well through other means. She explained staff would continue to monitor the appointment process. She stated staff was looking at what activities could be held at the Mary Ann Young Center per the present guidelines. She noted staff was revamping the City newsletter and recreation programing was continuing to evolve. She commented concerts in the park were being considered on a limited basis for August and stated she was not aware of any new positive cases for City staff.

Ms. Wolfe reported the new beach parking attendant had been hired and was now working. She explained the beach was still being monitored and it appears people were maintaining proper social distancing. The only concern at the beach at this time was people jumping off the bridge. She indicated squad cars have been addressing this concern.

Police Chief Podany explained he has had 15 calls for service to the beach in the last week. He noted many of these calls were for traffic concerns. He appreciated the fact that things have stabilized at the beach and he has received positive feedback from residents. He commented the food truck was a great addition to the park.

Councilmember Jeppson reported there were neighbors interested in coming together to pick up trash or help maintain social distancing. She asked if staff had received contact information from these residents. Ms. Wolfe indicated Recreation Manager Monahan had received contact names and numbers. She explained the City was working to enhance its Adopt-A-Park program.

Councilmember Garvais discussed the CARES Act funds the City has received and inquired how the City would utilize these funds. Ms. Wolfe stated there was a fair amount of gray area. She reported grant programs could be created to assist small businesses. She commented there were efforts with the League to standardize these programs. She explained Mr. Huss had submitted the necessary paperwork on behalf of the City of Blaine. It was noted the City would have to spend the dollars received through the CARES Act program by the end of November. Mr. Thorvig reported he was working with the County and would be bringing a small business grant program forward for the Council to consider in August.

Councilmember Garvais inquired if the City was aware of how much it has in reimbursable COVID expenses. Ms. Wolfe reported staff does have a running list of expenses but noted some salaries may also be covered. She noted there was a big gap between what the City has spent and what the City would receive in CARES Act dollars. These additional funds would be used to assist local

businesses.

Mayor Ryan asked if City Hall could be used for a Beyond the Yellow Ribbon committee meeting. Ms. Wolfe reported City Hall was not yet open for outside groups, but noted staff could discuss this matter.

Ms. Wolfe commented on a positive note, adult sports leagues have started up which was bringing in unanticipated revenues for the City. She explained two additional seasonal workers were authorized by staff in order to assist with maintaining fields and parks. She indicated the cost for these employees would be offset by the revenues gained by the adult leagues.

Councilmember Paul questioned how many seniors were being served through the emergency meal service. Ms. Wolfe estimated 20 to 25 people were being served each day.

15 Minute Discussion

4 Council Calendar Review

Ms. Wolfe reviewed the Council Calendar.

ADJOURN

The Workshop was adjourned at 8:06 p.m.