



City of Blaine

City Council Workshop

September 18, 2023 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

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

2. New Business

- 2.1.** 2023-440 City Manager Initial General Fund and Preliminary Levy
Sponsors: Jason Zimmerman, Finance Director, Jenna Trittin, Finance Analyst
- 2.2.** 2023-430 2023-2026 Strategic Plan Review
Sponsors: Ben Hayle, Communications Manager, Michelle Wolfe, City Manager
- 2.3.** 2023-448 Closed Session to Discuss Non-Public Data Relating to an Active Investigation Pursuant to Minnesota Statute Section 13D.05, Subd. 2(2)
Sponsors: Tom Loonan, City Attorney

3. Other Business

4. Adjournment



City of Blaine Staff Report

File Number: 2023-440

Agenda Date

September 18, 2023

Status

In Control

City Council

File Type

Workshop Item

New Business - Jenna Trittin, Finance Analyst, Jason Zimmerman

Agenda Item # 2.1

City Manager Initial General Fund and Preliminary Levy

Background

At the September 11 council workshop, staff presented information on the General Fund and Economic Development Authority (EDA) budgets, background on the debt levy and internal service funds, and preliminary levy options. A copy of last week's presentation is attached to the item. Staff will build on what was presented to prepare council to adopt a preliminary levy. The agenda item text below is similar to what was provided for the September 11 meeting and includes additional information.

General Fund

Council members participated in small group discussions between July 19-31 during which staff presented initial General Fund budget information. At the August 21 council workshop, staff brought a final copy of the small group presentation as well as general budget updates. A comparison of the General Fund budget increases from July to September is in the table below. Information on the base budget, department requests, and changes since small group meetings are included in the attached September 11 presentation.

2024 General Fund Budget Increases Summary			
Category	Small Group Meetings (July 2023)	September 2023	Change
Base Budget	\$4,995,889	\$4,826,136	-\$169,753
Department Requests - Council Established Guidance	257,300	222,300	-35,000
Department Requests - Council Initiatives	532,000	532,000	0
Total	\$5,785,189	\$5,580,436	-\$204,753

The 2024 budget has provided unique challenges and opportunities. In addition to changes in City staff, a new web-based budget system has been implemented. While the budgeting software provides a more accurate and sophisticated model, the collaborative city-wide budgeting efforts identified several cost elements that were incomplete or incorrectly budgeted in recent years. Budget costs can be broken into ongoing expenses that are anticipated to increase a similar amount every year and one-time adjustments that have a higher impact in the first year and a smaller impact in future years.

Ongoing Expenses

- Cost of living adjustments (COLA)
- Performance and other wage adjustments
- Union agreement adjustments
- Inflationary adjustments for supplies, commodities, fuel, and salt

One-time adjustments can include new department requests, staffing additions, and finance adjustments. The one-time finance adjustments included in the 2024 budget will set the 2024 expenses at a sustainable funding level. Much smaller increases can be anticipated in the future to accommodate regular increases and inflation. The table below shows the 2024 increases versus the 2025 projected increases.

2024 General Fund Budget One-Time Finance Adjustments to Ongoing Costs		
Adjustment	2024 Increase	2025 Projected Increase
Personnel Budget Corrections	\$600,000*	\$0
Workers Compensation	610,122	41,816**
Property, Casualty, & Liability Insurance***	133,300	12,425**
Salt - change to more effective material	80,000	12,000**
Total	\$1,423,422	\$66,241

**The 2024 personnel budget corrections increase is an estimate based on comparing the 2023-2024 wage increase with the projected 2024-2025 wage increase*

***2025 projected increase assumes a 3% increase; increase is subject to actual experience and could be higher than the projected amount*

****The 2024 increase is anticipated to bring the internal service fund to a near zero fund balance pending any further premium adjustments; the annual deductible of \$200,000 has not been addressed in the 2024 budget cycle and will need reviewed next year*

Levy

All levies except for the General Fund and Debt Service Funds are recommended to remain the

same as 2023.

The debt levy needs to be increased to accommodate the 2023 debt issuances that are necessary to fund the 2023 adopted transportation (pavement management) program and capital equipment. The scope of the transportation program was enhanced in 2019 and continues to receive annual capital investment. As the city adds new debt to pay for transportation improvements, the debt levy will need to increase to pay off the debt. Debt issuances for transportation are generally issued with a repayment term of fifteen years. The debt levy for transportation improvements will level off around 2034 when the city holds 15 years worth of debt issuances and the oldest issuance drops off at the same time as the city adds a debt issuance.

Each year council is asked to transfer General Fund cash in excess of the city's minimum unassigned fund balance policy for other uses. Staff recommended funding 2023 capital equipment using a mix of cash and debt. The cash portion was expected to be provided from any excess General Fund balance; however, the unrestricted General Fund cash from the 2022 budget was approved to be transferred to the workers' compensation and self-insurance funds to address prior shortfalls which did not leave adequate cash to also fund capital equipment. The result is that 2023 capital equipment needs to be funded solely using debt proceeds, which requires increasing the 2024 debt levy. Capital equipment notes are generally issued for a period of five years; an ongoing need to borrow for capital equipment will result in the debt levy increasing for the next four years . This will level off in 2027 when the city holds five years worth of equipment notes.

Four preliminary levy options were discussed at the September 11 meeting. A table summarizing the options is included below.

2024 Preliminary Levy Options				
	Option 1	Option 2	Option 3	Option 4
Tax Change from 2023 for Median EMV SFH*	\$34.21; 3.33%	\$80.91; 7.89%	\$95.18; 9.28%	\$106.45; 10.38%
General Fund	Funds base budget only and uses \$500k of anticipated General Fund reserves	Funds base budget, department requests, and potential addition of 3 staff	Funds base budget and department requests	Funds base budget, department requests, and potential addition of 3 staff
Debt Fund	Funds \$800k of \$1.7m debt service increase	Funds \$800k of \$1.7m debt service increase	Funds full \$1.7m debt service increase	Funds full \$1.7m debt service increase
Current Year Impacts	Low flexibility for final budget and levy adoption	Medium flexibility for final budget and levy adoption	Medium flexibility for final budget and levy adoption	High level of flexibility for final

				budget and levy adoption
Service Level Impacts	Funds bare minimum needed to continue at 2023 service levels	Funds amounts needed to maintain similar service levels into 2024	Lack of staff additions may adversely impact 2024 service levels	Funds amounts needed to maintain most service levels into 2024
Future Year Impacts	- 2025 debt levy will increase \$900k to cover 2024 cash funded portion plus any other increases - \$500k of anticipated General Fund reserves used for 2024 will minimize savings that have historically been transferred to fund capital equipment, insurance funds, and facilities	- 2025 debt levy will increase \$900k to cover 2024 cash funded portion plus any other increases	- Potential of increased staffing needs in 2025 with no staff additions	- Least adverse future year impacts under this scenario
City Levy % Increase	12.3%	16.7%	18.1%	19.2%
Total City Levy	\$41,663,346	\$43,317,646	\$43,822,501	\$44,222,501

*EMV SFH = Estimated Market Value Single-Family Home of \$338,525 for 2024; \$330,125 in 2023

A table showing the 2023 levy and 2024 recommended levy is included below as well.

2023 Levy and 2024 Recommended Levy		
Levy	2023 Levy	2024 Recommended
General Fund	\$31,712,000	Options in table above
Pavement Management	100,000	100,000
Debt Service Funds	4,800,000	6,504,855*
EDA	1,000,000	1,000,000
Parks & Trails	500,000	500,000
Total	\$38,112,000	TBD

**2024 recommended debt levy assumes full funding of the projected debt levy and is a preliminary estimate based on numbers provided by the city's municipal advisor, Baker Tilly; the amount is subject to change based on the actual 2023 bond issuance and what council adopts for the preliminary levy*

State statute requires local governments to adopt a preliminary levy by September 30; Council will be asked to adopt a preliminary levy at the Monday September 18 council meeting. Best practice is to adopt a preliminary levy that provides adequate flexibility for the council to react to changing economic conditions and needs of the community.

Council will adopt the final levy at a December council meeting.

Proposed Truth in Taxation and budget adoption dates are:

- Monday, December 18 at 7 PM - Truth in Taxation meeting
- Monday, December 18 - Final levy adoption

Staff Recommendation

Indicate the preferred preliminary levy.

Indicate whether the following proposed dates are supported:

- Monday, December 18 at 7 PM - Truth in Taxation meeting
- Monday, December 18 - Final levy adoption

Questions for Council

Which preliminary levy option does council support?

Does the council support holding the Truth in Taxation meeting and adopting the final levies on December 18?

Attachment List

1. 2023.09.18 Presentation - General Fund & Prelim Levy (2)
2. 2023.09.11 - 2024 Initial General Fund, EDA, & Preliminary Levy Presentation



City Manager Initial General Fund and Preliminary Levy

Council Workshop | Finance

09/18/2023

Budget Calendar – as of 8/18/23

General Fund

Workshop

Last seen: August 21

Upcoming: September 11, September 18

Council meeting

September 18 – Preliminary levy adoption

November 27 – Truth in Taxation

December 4 – Adopt levy

Charitable Gambling

Workshop

September 25

Council meeting

October 16 - Adoption

Communications

Workshop

September 25

Council meeting

October 16 - Adoption

Economic Development Authority

Workshop

September 11

September 18

EDA meeting

September 18 – Preliminary levy adoption

November 27 – Truth in Taxation

December 4 – Adopt levy

Parks CIP

Workshop

July 25 – Park Board

August 15 – NRCB & Park Board

September 25

Council meeting

October 16 - Adoption

Transportation

Workshop

Last seen: August 14

Council meeting

October 16 - Adoption

Facilities

Workshop

September 25

Council meeting

October 16 - Adoption

Capital Equipment

Workshop

September 25

Council meeting

October 16 - Adoption

Refuse

Workshop

October 2

Council meeting

November 6 - Adoption

Sanitary Sewer

Workshop

Last seen: August 14

Upcoming: October 9

Council meeting

November 6 - Adoption

Storm Drainage

Workshop

Last seen: August 14

Upcoming: October 9

Council meeting

November 6 - Adoption

Water

Workshop

Last seen: August 14

Upcoming: October 9

Council meeting

November 6 - Adoption



General Fund

Section 1 of 5



Small Groups (July 2023) - Initial Base Budget Assumptions

2023 service levels at 2024 costs

Assumptions

	3% COLA, Cafeteria, Adjustments <i>(251.5 FTEs, 3 Interns, Temp & Seasonal Staff)</i>	2,047,517
Personnel	Patrol Officers (2) <i>(wages, benefits, workers comp)</i>	290,192
	Insurance and Compensated Absences	1,075,663
Commodities	Salt, Vehicle & Equip Repair Supplies, Fuel	316,324
Other Services & Charges	Taxes, Other Charges, Membership Dues, Training	75,045
Facilities	Operations & Maintenance	288,790
Election Year Adjustment	Election Judges and Related Expenses	187,300
Contractual	SBM Fire, Software, Insurance, Fence Consortium, Legal Fees	715,059
	Total	4,995,889



2024 Initial Base Budget Increases (September 2023)

2023 service levels at 2024 costs

Assumptions

	3% COLA, Cafeteria, Adjustments <i>(251.5 FTEs, 3 Interns, Temp & Seasonal Staff)</i>	2,151,335
Personnel	Patrol Officers (2) <i>(wages, benefits, workers comp)</i>	290,192
	Insurance	730,622
Commodities	Salt, Vehicle & Equip Repair Supplies, Fuel	316,324
Other Services & Charges	Taxes, Other Charges, Membership Dues, Training	75,045
Facilities	Operations & Maintenance	288,790
Election Year Adjustment	Election Judges and Related Expenses	187,300
Contractual	SBM Fire, Software, Insurance, Fence Consortium, Legal Fees	786,529
	Total	4,826,136

2024 Initial Department Requests Under Consideration

Council Established Guidance

Administration	•Executive Recruitments	35,000
	•Classification & Compensation Update	35,000
	•All Staff Training	20,000
	•NeoGov Onboarding	9,500
Finance	•Finance Software Services	26,800
	•Citywide IT Training	11,000
	•City Software Services	10,000
Safety Services	•Axon Contract Expansion	49,000
Public Works	•Increased Equipment Rentals	6,000
Recreation	•Parks Facilities Repairs & Maintenance	45,000
Community Development	•iMS System Enhancements	10,000
Total Requests	•0.6% Increase from 2023 Adopted	222,300

Council Initiatives

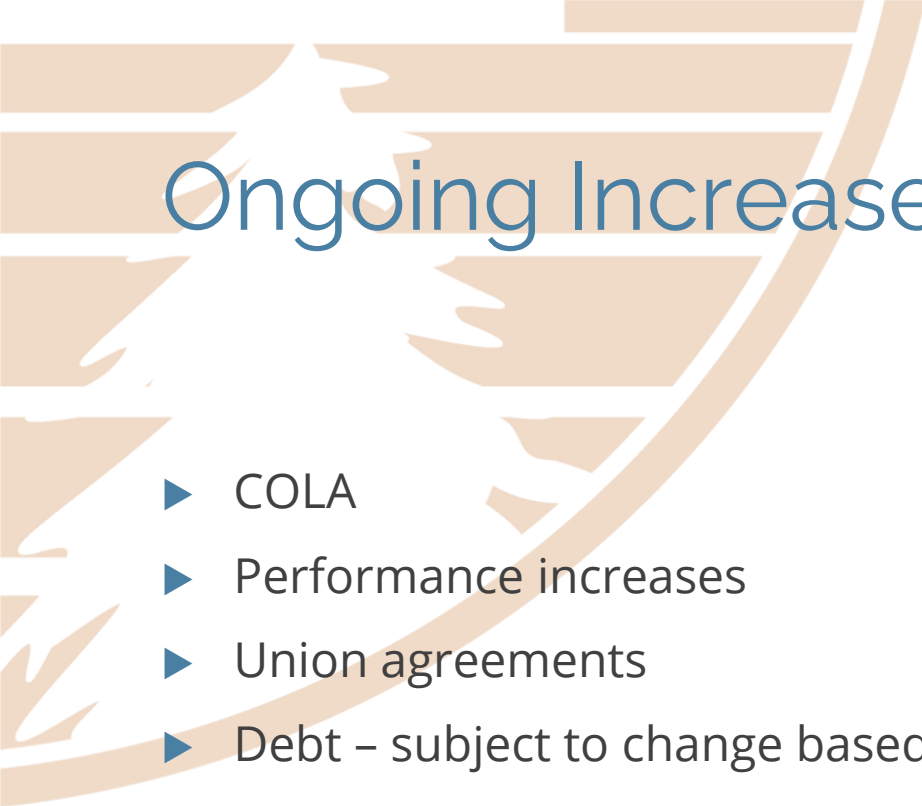
Council	•Funds for Council Initiatives	60,000
Administration	•Enhanced City Marketing and Engagement	20,000
Public Works	•Dead & Diseased Tree Removals	300,000
	•Weed Control	152,000
Total Council Initiatives	•1.3% Increase from 2023 Adopted	532,000

2024 Base and Dept Request Changes Since Small Groups



Base or Dept Req	Description	Change	Notes
Base	Updated SBM Fire budget	71,470	
Base	Reduced Worker's Comp Premiums	(279,041)	
Base	Removed Compensated Absences Increase	(66,000)	
Base	Added Victim Services Position	103,704	\$90,000 grant revenue offset
Base	Misc Other Adjustments	114	
Dept Req	Removed Executive Recruitments	(35,000)	
Total		(204,753)	

As Of	Description	Amount
9/6/2023	General Fund Base Budget Increase	4,826,136
9/6/2023	General Fund Department Requests Increase	754,300
July 2023	General Fund Base Budget Increase	(4,995,889)
July 2023	General Fund Department Requests Increase	(789,300)
	Change	(204,753)



Ongoing Increases

- ▶ COLA
- ▶ Performance increases
- ▶ Union agreements
- ▶ Debt – subject to change based on future capital investment; currently assuming 2023 level
 - ▶ Adding ~\$700k per year in debt levy for transportation (issuance of \$10M)
 - ▶ Adding ~\$800k per year in debt levy for equipment
 - ▶ Deferred replacements
 - ▶ Acquisition challenges

One-Time Finance Adjustments for Ongoing Costs

Adjustment	2024 Increase	2025 Projected Increase
Personnel Budget Corrections*	600,000	-
Worker's Compensation**	610,122	41,816
Property, Casualty, & Liability Insurance***	133,300	12,425
Salt - change to more effective material**	80,000	12,000
	<u>1,423,422</u>	<u>66,241</u>

**The 2024 personnel budget corrections increase is an estimate based on comparing the 2023-2024 wage increase with the projected 2024-2025 wage increase*

***2025 projected increase assumes a 3% increase; increase is subject to actual experience and could be higher than the projected amount*

****The 2024 increase is anticipated to bring the internal service fund to a near zero fund balance pending any further premium adjustments; the annual deductible of \$200,000 has not been addressed in the 2024 budget cycle and will need reviewed next year*

2024 General Fund Initial Budget

Expenditures by Department with Revenues



General Fund							
	2023 Adopted	2024 Base vs 2023			2024 Dept Req vs 2023		
Revenue	Budget	2024 Base Budget	Adopted		2024 Dept Req	Adopted	
Taxes	31,712,000	31,712,000	-	0.0%	31,712,000	-	0.0%
Charges for Services	5,124,400	5,109,300	(15,100)	-0.3%	5,109,300	(15,100)	-0.3%
Licenses & Permits	2,874,500	2,763,200	(111,300)	-3.9%	2,763,200	(111,300)	-3.9%
Intergovernmental Revenues	1,626,000	1,945,000	319,000	19.6%	1,945,000	319,000	19.6%
Fines & Forfeitures	220,500	193,000	(27,500)	-12.5%	193,000	(27,500)	-12.5%
Miscellaneous Revenues	60,000	163,500	103,500	172.5%	163,500	103,500	172.5%
Investment Earnings	150,000	150,000	-	0.0%	150,000	-	0.0%
Other Financing Sources	-	122,400	122,400	N/A	122,400	122,400	N/A
Revenue Totals	41,767,400	42,158,400	391,000	0.9%	42,158,400	391,000	0.9%
Expenditures by Department							
10 - Legislative	467,760	475,163	7,403	1.6%	535,163	67,403	14.4%
20 - Administration	2,680,360	3,062,384	382,024	14.3%	3,146,884	466,524	17.4%
30 - Finance	3,865,080	3,619,694	(245,386)	-6.3%	3,667,494	(197,586)	-5.1%
40 - Safety Services	19,956,710	22,993,666	3,036,956	15.2%	23,042,666	3,085,956	15.5%
50 - Public Services	9,910,130	11,002,614	1,092,484	11.0%	11,460,614	1,550,484	15.6%
60 - Recreation	1,476,890	1,627,017	150,127	10.2%	1,672,017	195,127	13.2%
70 - Community Development	2,791,680	3,048,910	257,230	9.2%	3,058,910	267,230	9.6%
Nondepartmental	435,000	580,300	145,300	33.4%	580,300	145,300	33.4%
Expenditure Totals	41,583,610	46,409,746	4,826,136	11.6%	47,164,046	5,580,436	13.4%
Net Surplus (Deficit)	183,790	(4,251,346)			(5,005,646)		

No tax levy increase assumed

2024 General Fund Initial Budget

Expenditures by Account Category

General Fund Expenditures	2023 Adopted Budget	2024 Base	2024 Base vs 2023 Adopted		2024 Dept Requests	2024 Dept Requested
Personnel Services	30,017,160	33,244,809	3,227,649	10.8%	-	33,244,809
Regular Wages	21,263,830	23,239,919	1,976,089	9.3%	-	23,239,919
Other Benefits & Taxes	3,585,450	3,918,520	333,070	9.3%	-	3,918,520
Cafeteria Plan	3,442,060	3,541,747	99,687	2.9%	-	3,541,747
Workers Compensation	783,750	1,393,872	610,122	77.8%	-	1,393,872
Overtime	762,570	795,251	32,681	4.3%	-	795,251
Compensated Absences	150,000	150,000	-	0.0%	-	150,000
Disabled PD Health Insurance	29,500	150,000	120,500	408.5%	-	150,000
Elections	-	55,500	55,500	N/A	-	55,500
Contractual Services	7,876,730	8,794,759	918,029	11.7%	754,300	9,549,059
Contractual Services	2,783,320	2,996,112	212,792	7.6%	724,300	3,720,412
SBM Fire	2,361,320	2,598,085	236,765	10.0%	-	2,598,085
Maintenance - Computers & Software	771,380	869,250	97,870	12.7%	10,000	879,250
Utilities	762,830	828,549	65,719	8.6%	-	828,549
Property, Casualty, and Liability Insurance	280,850	414,150	133,300	47.5%	-	414,150
Maintenance of City Assets	384,850	413,750	28,900	7.5%	-	413,750
Legal Fees	344,450	353,500	9,050	2.6%	-	353,500
Advertising, Public Notices, & Printing	166,730	168,863	2,133	1.3%	20,000	188,863
Elections	21,000	152,500	131,500	626.2%	-	152,500
Supplies	2,269,680	2,586,004	316,324	13.9%	-	2,586,004
Commodities	1,411,980	1,543,638	131,658	9.3%	-	1,543,638
Fuel	577,700	642,366	64,666	11.2%	-	642,366
Salt	280,000	400,000	120,000	42.9%	-	400,000
Other Services & Charges	1,420,040	1,784,175	364,135	25.6%	-	1,784,175
Facilities Charges	1,022,980	1,311,770	288,790	28.2%	-	1,311,770
Training	255,360	297,210	41,850	16.4%	-	297,210
Other Services & Charges	141,700	174,895	33,195	23.4%	-	174,895
Elections	-	300	300	N/A	-	300
Grand Total	41,583,610	46,409,746	4,826,136	11.6%	754,300	47,164,046



Internal Service Funds

Section 2 of 5

Internal Service Funds

- ▶ Definition: A fund that provides goods, benefits, or services to other funds, departments, or agencies on a cost-reimbursement basis; goal to break even
- ▶ City has 5 internal service funds
 - ▶ Compensated Absences
 - ▶ Facilities
 - ▶ Pension Benefits
 - ▶ Self-Insurance
 - ▶ Workers Compensation

Workers Compensation Fund

Purpose

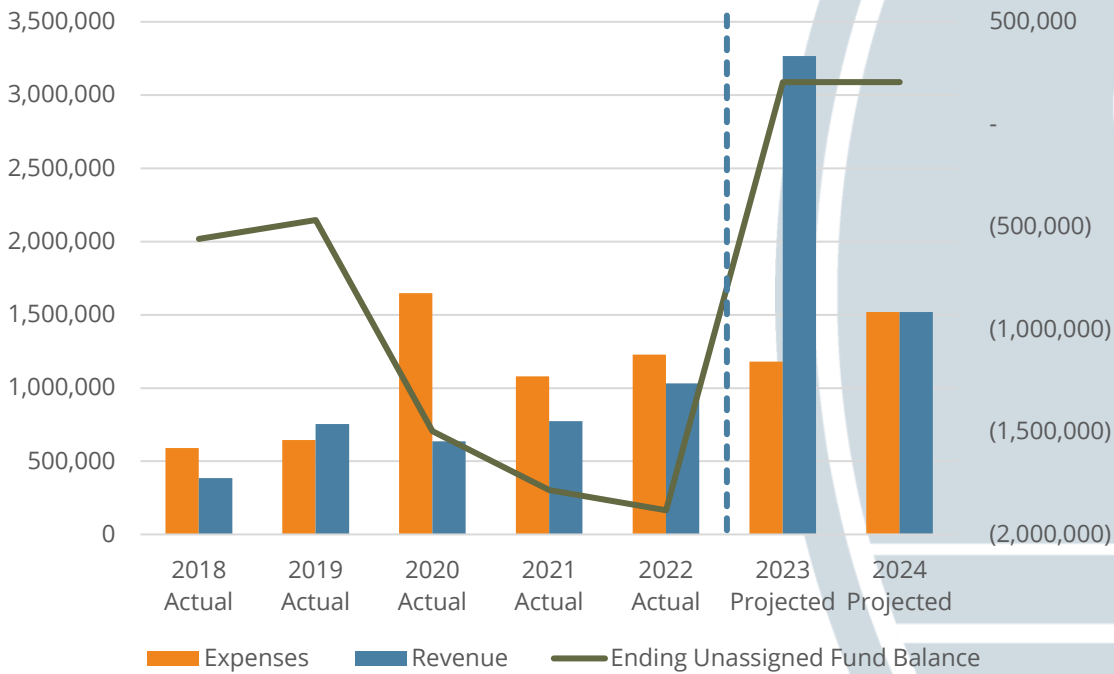
- To account for workers compensation coverage and collect premiums from other city funds

Background

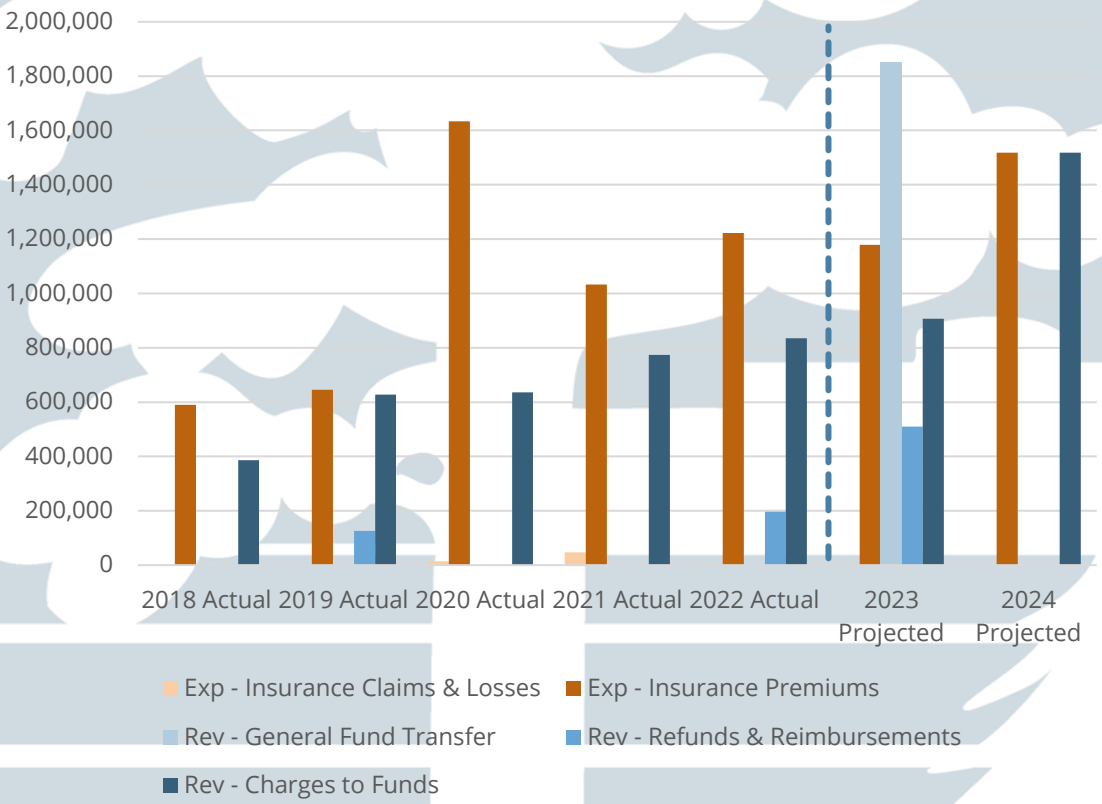
- Set up in 2012
- Funding Sources: charges to other funds, insurance refunds and reimbursements
- City elects a retrospective rating option and pays annual premiums
- Each year's premiums can be adjusted for up to 16 years or the city can pay to close specific years
- Council approved a \$1.85m transfer of General Fund reserves in 2023 to cover the deficit from prior years; during the 2023 budget cycle, those funds were anticipated to reduce the 2023 equipment certificate issuance
- The 2024 budget increase is to ensure ongoing premiums are covered

Workers Compensation Fund History

Workers Compensation
Revenues vs. Expenses
With Ending Unassigned Fund Balance



Workers Compensation
Revenues vs. Expenses Detail



Self-Insurance Fund

Purpose

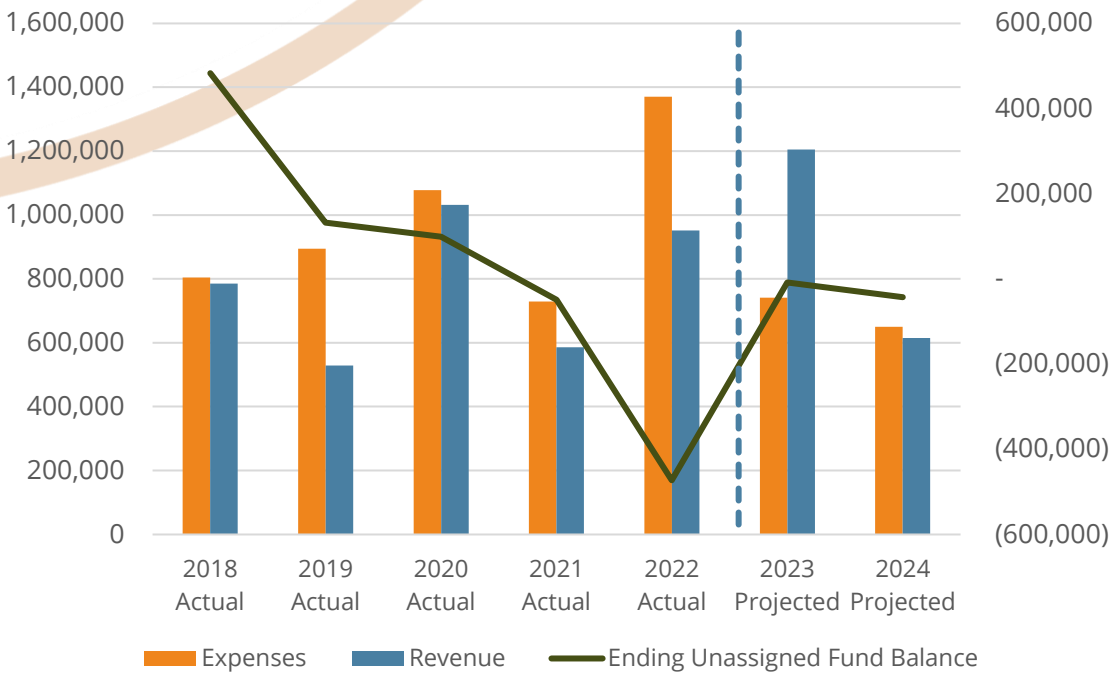
- To account for property, casualty, and liability insurance premiums and deductibles

Background

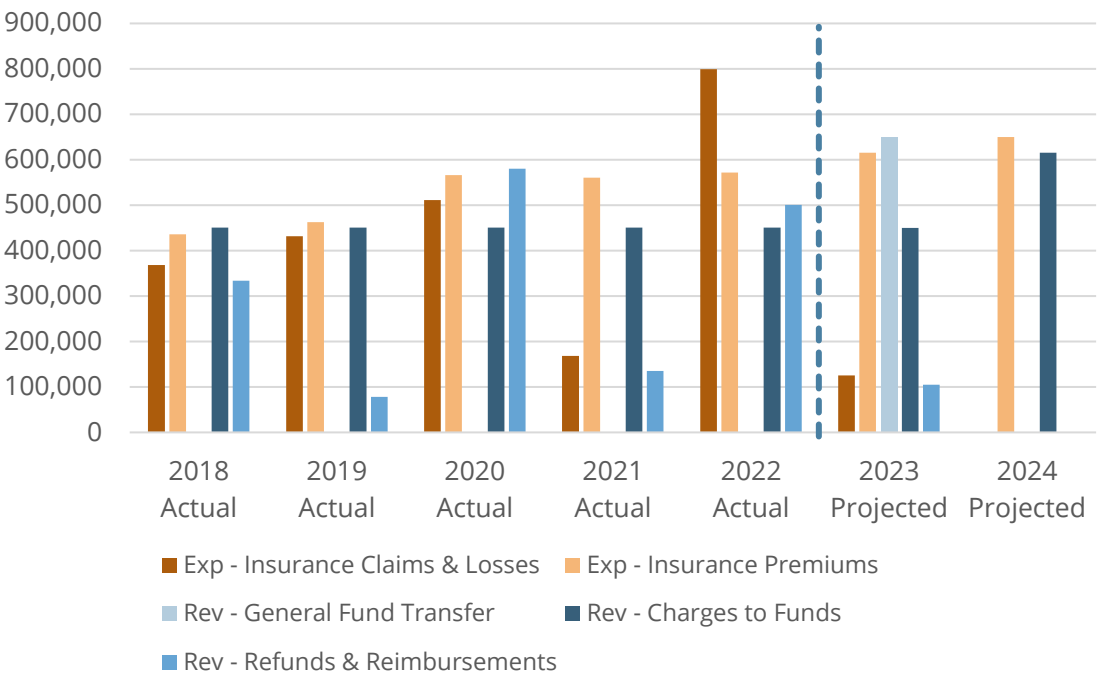
- Set up in 1993
- Funding Sources: charges to other funds, insurance refunds and reimbursements
- City pays annual premiums
- City has deductible of \$100k per occurrence and \$200k aggregate per year; \$1k maintenance deductible after aggregate is met; can pay claims for up to 10 years after the occurrence
- Council approved a \$650k transfer of General Fund reserves in 2023 to cover the deficit from prior years; during the 2023 budget cycle, those funds were anticipated to reduce the 2023 equipment certificate issuance
- The 2024 budget increase is to ensure ongoing premiums are covered
- Deductible coverage needs to be assessed in the future

Self Insurance Fund History

Self-Insurance Fund
Revenues vs. Expenses
With Ending Unassigned Fund Balance



Self-Insurance Fund
Revenues vs. Expenses Detail



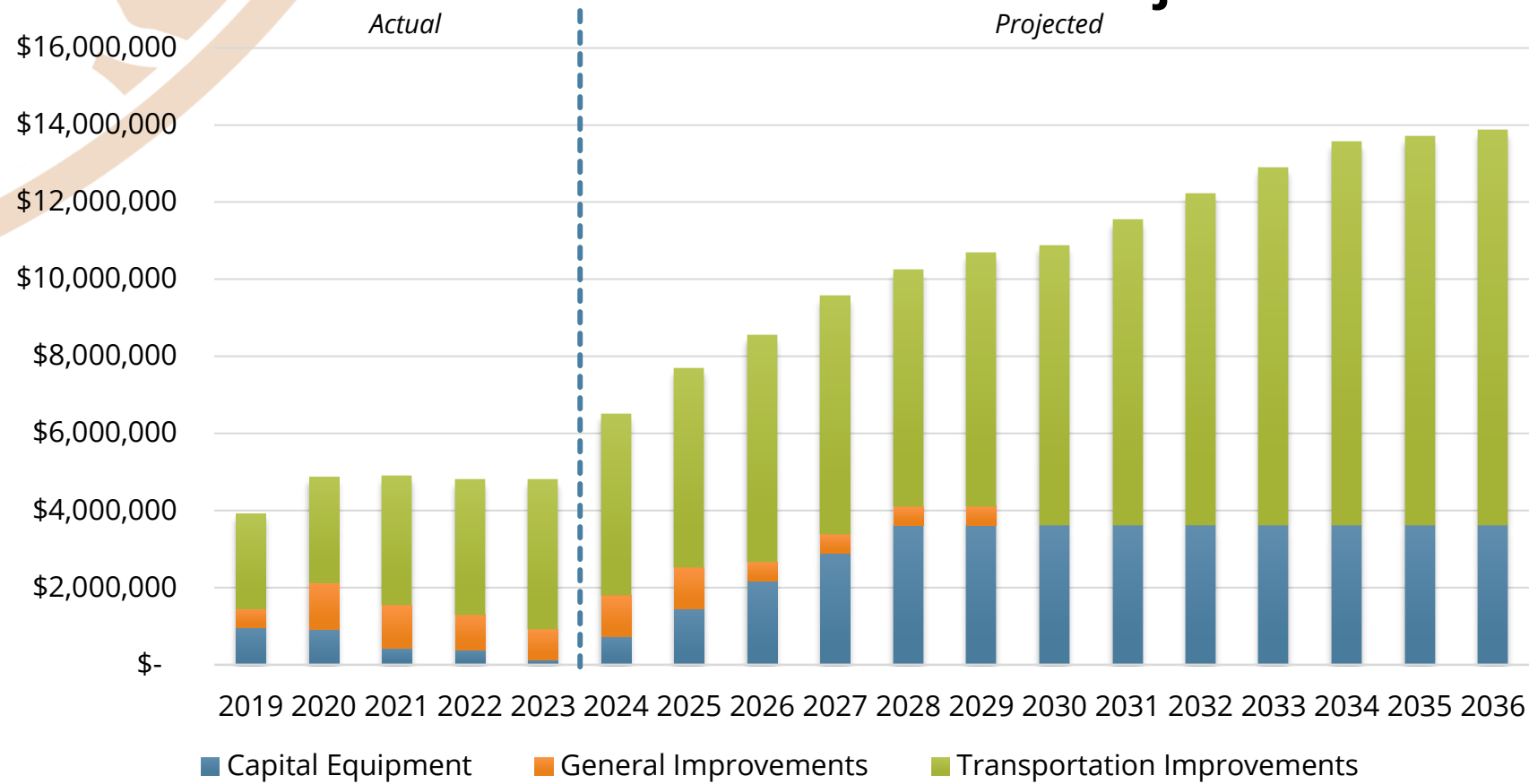


Debt Levy

Section 3 of 5

Ongoing Increases - Debt

Debt Levy by Purpose and Levy Collection Year
2019-2023 Historical & 2024-2036 Projected



Historical Levy Supported Debt

Issuance Information				Levy Collected				
Issuance	First Levy Year	Final Levy Year	Purpose	2019	2020	2021	2022	2023
2012A	2013	2022	Transportation Improvements	100,000	75,000	50,000	30,000	
2012B	2014	2019	Transportation Improvements	400,000				
2013A	2016	2025	General Improvements	475,000	450,000	575,000	450,000	300,000
2014A	2015	2024	Transportation Improvements	375,000	300,000	250,000	250,000	200,000
2014B	2015	2020	Capital Equipment	400,000	450,000			
2016A	2017	2027	Transportation Improvements	1,300,000	1,300,000	1,300,000	1,300,000	1,000,000
SBM Certificate	2019	2021	Capital Equipment	375,000	175,000	200,000		
2017A	2019	2028	Transportation Improvements	300,000	250,000	400,000	250,000	250,000
2018A	2019	2023	Capital Equipment	200,000	300,000	250,000	400,000	125,000
2019A	2020	2034	Transportation Improvements		825,000	600,000	550,000	575,000
2019B	2020	2029	General Improvements		750,000	525,000	450,000	500,000
2020A	2021	2035	Transportation Improvements			750,000	500,000	550,000
2021A	2022	2036	Transportation Improvements				620,000	550,000
2022A	2023	2037	Transportation Improvements					750,000
TOTALS				\$ 3,925,000	\$ 4,875,000	\$ 4,900,000	\$ 4,800,000	\$ 4,800,000
Subtotal by purpose								
			Capital Equipment	\$ 975,000	\$ 925,000	\$ 450,000	\$ 400,000	\$ 125,000
			General Improvements	\$ 475,000	\$ 1,200,000	\$ 1,100,000	\$ 900,000	\$ 800,000
			Transportation Improvements	\$ 2,475,000	\$ 2,750,000	\$ 3,350,000	\$ 3,500,000	\$ 3,875,000
Outstanding Issuances				9	10	10	10	10

Projected Debt Levy

Issuance Information				Levy Collected												
Issuance	First Levy Year	Final Levy Year	Purpose	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2013A	2016	2025	General Improvements	573,615	578,340											
2014A	2015	2024	Transportation Improvements	185,348												
2016A	2017	2027	Transportation Improvements	1,078,555	1,068,015	1,087,189	717,570									
2017A	2019	2028	Transportation Improvements	254,153	251,710	253,888	250,248	251,433								
2019A	2020	2034	Transportation Improvements	559,550	555,696	556,306	555,865	554,374	562,333	563,467	557,304	561,483	554,690	547,739		
2019B	2020	2029	General Improvements	490,613	486,938	487,725	487,462	486,150	487,305							
2020A	2021	2035	Transportation Improvements	515,200	514,682	513,115	510,497	512,080	514,187	515,455	515,148	514,735	514,217	513,595	512,868	
2021A	2022	2036	Transportation Improvements	584,629	576,445	578,343	579,400	575,680	576,895	577,637	572,631	572,875	578,290	576,761	574,482	574,051
2022A	2023	2037	Transportation Improvements	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432	679,303	679,599	678,321
2023 Equipment Certificates	2024	2028	Capital Equipment	744,000	720,000	720,000	720,000	720,000								
2024 Equipment Certificates	2025	2029	Capital Equipment		744,000	720,000	720,000	720,000	720,000							
2025 Equipment Certificates	2026	2030	Capital Equipment			744,000	720,000	720,000	720,000	720,000						
2026 Equipment Certificates	2027	2031	Capital Equipment				744,000	720,000	720,000	720,000	720,000					
2027 Equipment Certificates	2028	2032	Capital Equipment					744,000	720,000	720,000	720,000	720,000				
2028 Equipment Certificates	2029	2033	Capital Equipment						744,000	720,000	720,000	720,000	720,000			
2029 Equipment Certificates	2030	2034	Capital Equipment							744,000	720,000	720,000	720,000	720,000		
2030 Equipment Certificates	2031	2035	Capital Equipment								744,000	720,000	720,000	720,000	720,000	
2031 Equipment Certificates	2032	2036	Capital Equipment									744,000	720,000	720,000	720,000	720,000
2032 Equipment Certificates	2033	2037	Capital Equipment										744,000	720,000	720,000	720,000
2033 Equipment Certificates	2034	2038	Capital Equipment											744,000	720,000	720,000
2034 Equipment Certificates	2035	2039	Capital Equipment												744,000	720,000
2035 Equipment Certificates	2036	2040	Capital Equipment													744,000
2023 PMP	2024	2038	Transportation Improvements	840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432	679,303	679,599
2024 PMP	2025	2039	Transportation Improvements		840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432	679,303
2025 PMP	2026	2040	Transportation Improvements			840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432
2026 PMP	2027	2041	Transportation Improvements				840,750	678,442	680,313	675,884	675,918	677,822	679,694	680,252	679,498	
2027 PMP	2028	2042	Transportation Improvements					840,750	680,313	675,884	675,918	677,822	679,694	680,252	679,498	
2028 PMP	2029	2043	Transportation Improvements						840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694
2029 PMP	2030	2044	Transportation Improvements							840,750	678,442	680,313	675,884	675,918	680,151	677,822
2030 PMP	2031	2045	Transportation Improvements								840,750	678,442	680,313	675,884	675,918	680,151
2031 PMP	2032	2046	Transportation Improvements									840,750	678,442	680,313	675,884	675,918
2032 PMP	2033	2047	Transportation Improvements										840,750	678,442	680,313	675,884
2033 PMP	2034	2048	Transportation Improvements											840,750	678,442	680,313
2034 PMP	2035	2049	Transportation Improvements												840,750	678,442
2035 PMP	2036	2050	Transportation Improvements													840,750
TOTALS				\$ 6,504,855	\$ 7,695,331	\$ 8,535,955	\$ 9,556,349	\$ 10,235,175	\$ 10,674,000	\$ 10,869,533	\$ 11,538,309	\$ 12,221,817	\$ 12,897,353	\$ 13,567,554	\$ 13,696,408	\$ 13,861,430
Subtotal by purpose																
			Capital Equipment	\$ 744,000	\$ 1,464,000	\$ 2,184,000	\$ 2,904,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000
			General Improvements	\$ 1,064,228	\$ 1,065,278	\$ 487,725	\$ 487,462	\$ 486,150	\$ 487,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Transportation Improvements	\$ 4,696,627	\$ 5,166,053	\$ 5,864,230	\$ 6,164,887	\$ 6,125,025	\$ 6,562,695	\$ 7,245,533	\$ 7,914,309	\$ 8,597,817	\$ 9,273,353	\$ 9,943,554	\$ 10,072,408	\$ 10,237,430
			Outstanding Issuances	11	12	13	15	16	16	16	17	18	19	20	20	20



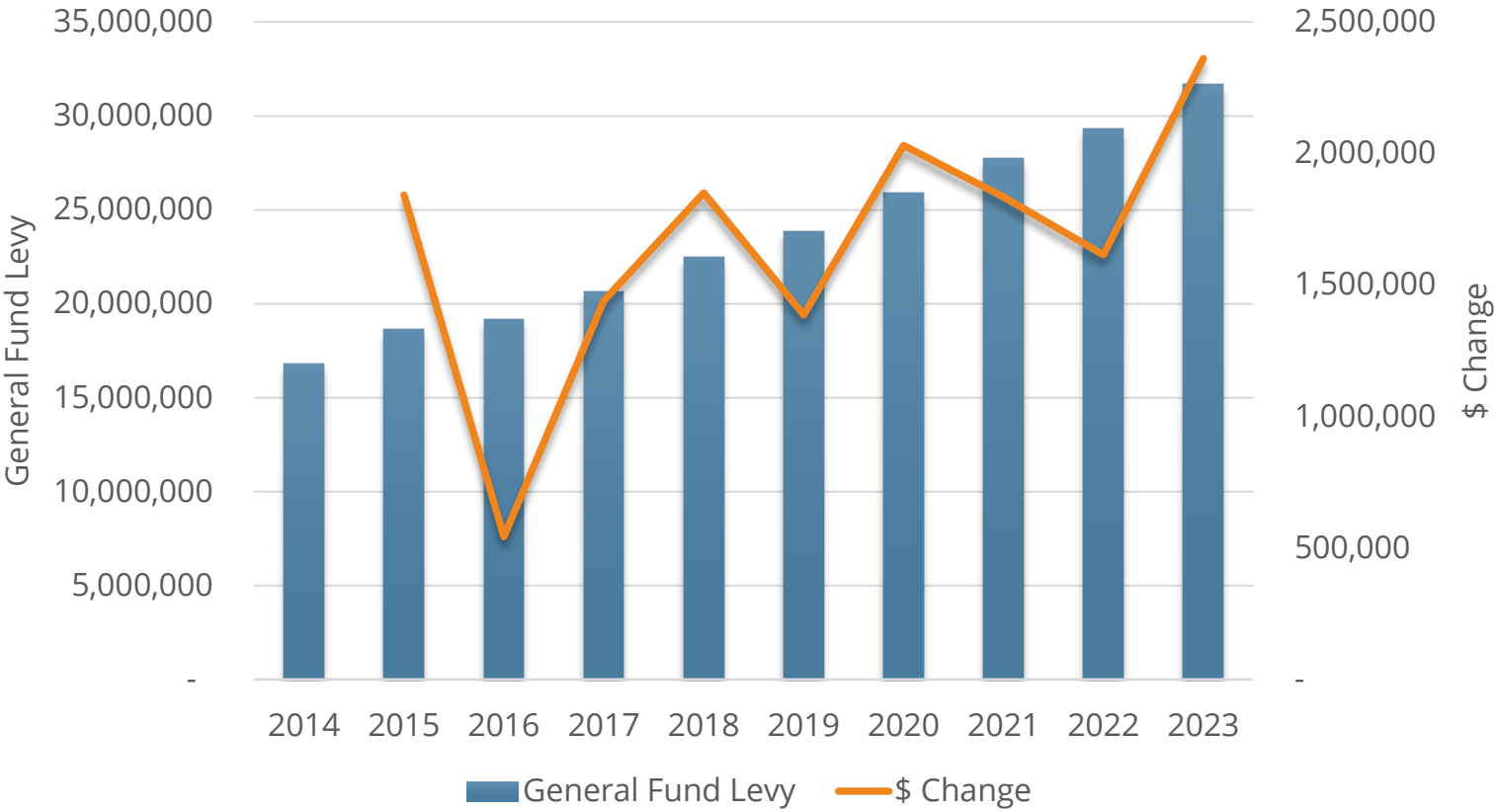
Levy

Section 4 of 5

Historical General Fund Levy

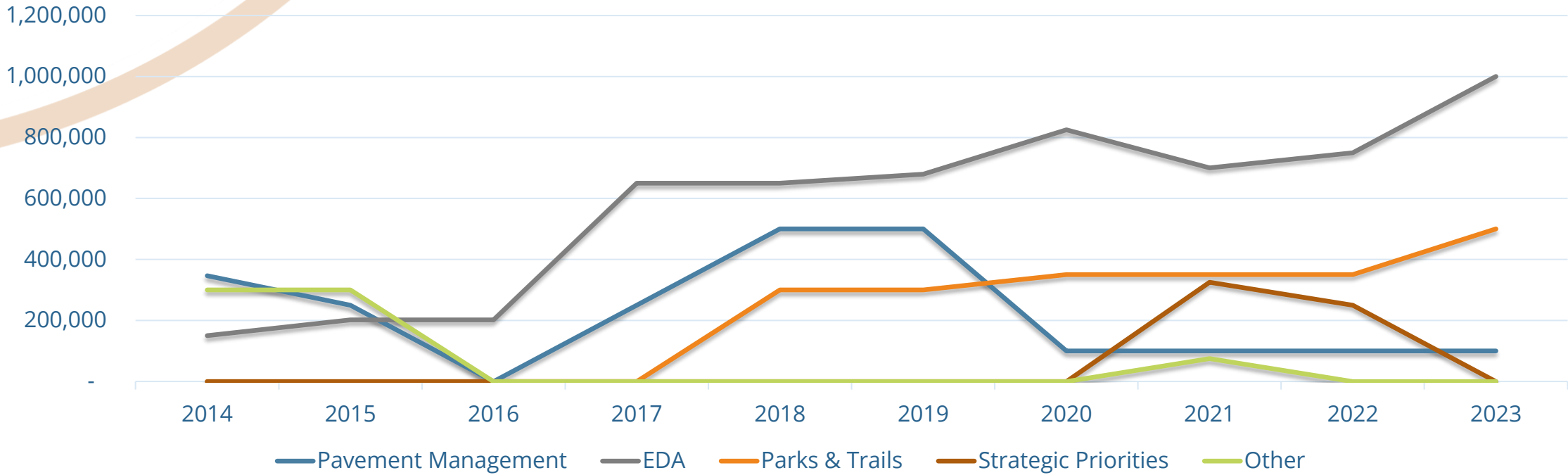


General Fund Levy and \$ Change (10 Years)



Historical Other Levies

All Other Tax Levies (10 Years)





Historical Tax Rate

City and EDA Tax Rate

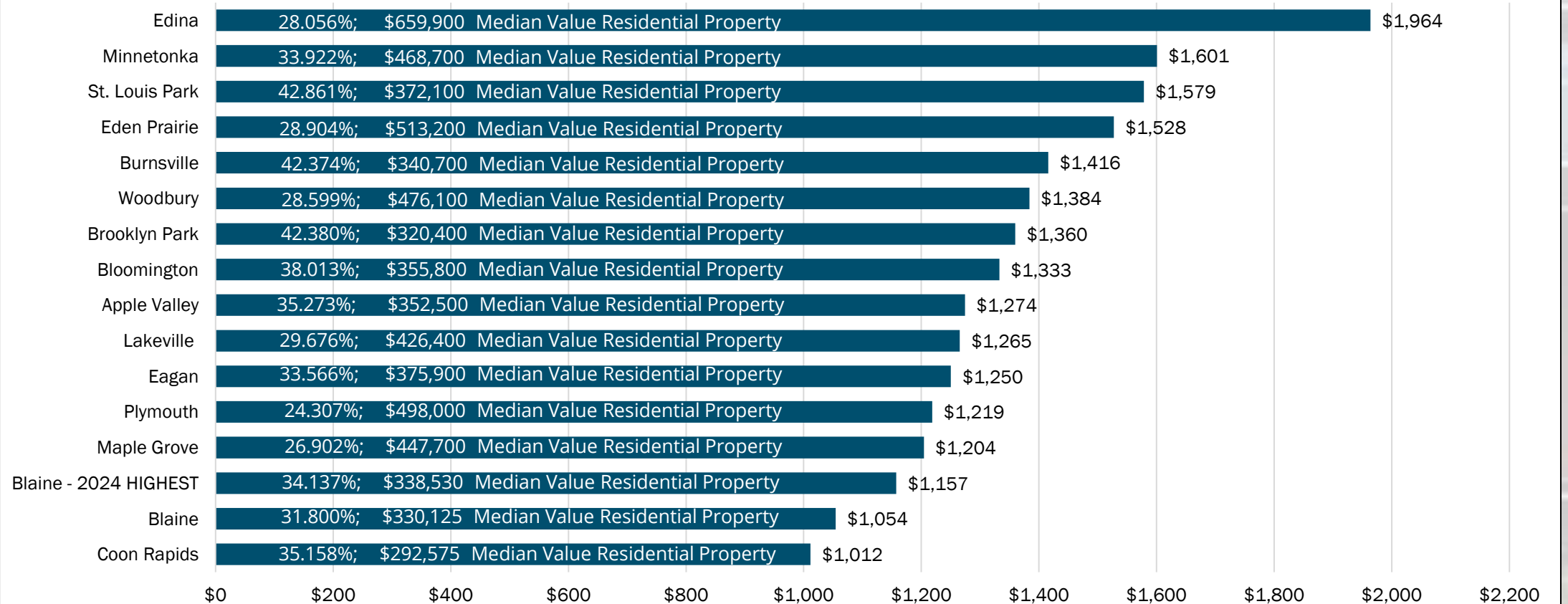


Preliminary Levy Scenarios and Tax Impact to Median Valued Single-Family Home

	2023 Final Levy	Options for 2024 Preliminary Levy*				If Rate Kept At 2022 Tax Rate
		1	2	3	4	
General Fund	31,712,000	35,463,346	37,117,646	36,717,646	37,117,646	
PMP	100,000	100,000	100,000	100,000	100,000	
Debt Service	4,800,000	5,600,000	5,600,000	6,504,855	6,504,855	
Parks and Trails	500,000	500,000	500,000	500,000	500,000	
Levy to Allocate						8,256,000
City Levy	\$ 37,112,000	\$ 41,663,346	\$ 43,317,646	\$ 43,822,501	\$ 44,222,501	\$ 45,368,000
City Levy % Change		12.3%	16.7%	18.1%	19.2%	
City Tax Rate	31.800%	31.959%	33.367%	33.797%	34.137%	35.113%
Median EMV SFH	\$ 330,125	\$ 338,525	\$ 338,525	\$ 338,525	\$ 338,525	\$ 338,525
City Tax Impact*	\$ 1,025.87	\$ 1,060.08	\$ 1,106.78	\$ 1,121.05	\$ 1,132.32	\$ 1,164.70
\$ Change		\$ 34.21	\$ 80.91	\$ 95.18	\$ 106.45	\$ 138.83
% Change		3.33%	7.89%	9.28%	10.38%	13.53%
EDA Levy	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
EDA Tax Rate	0.880%	0.755%	0.755%	0.755%	0.755%	
EDA Tax Impact*	\$ 28.39	\$ 25.04	\$ 25.04	\$ 25.04	\$ 25.04	
Total Levy	\$ 38,112,000	\$ 42,663,346	\$ 44,317,646	\$ 44,822,501	\$ 45,222,501	
Total Levy % Change		11.9%	16.3%	17.6%	18.7%	
Total Tax Rate	32.680%	32.714%	34.122%	34.552%	34.892%	
Total Tax Impact*	\$ 1,054.26	\$ 1,085.12	\$ 1,131.82	\$ 1,146.09	\$ 1,157.36	
\$ Change		\$ 30.86	\$ 77.56	\$ 91.83	\$ 103.10	
% Change		2.93%	7.36%	8.71%	9.78%	

* Tax impact based on median valued single-family home

2023 Total City Tax - Comparable Cities - Median Valued Property Includes Referendum and Special Taxing Authority Levies



2024 Preliminary Levy Options				
	Option 1	Option 2	Option 3	Option 4
Tax Change from 2023 for Median EMV SFH*	\$34.21; 3.33%	\$80.91; 7.89%	\$95.18; 9.28%	\$106.45; 10.38%
General Fund	Funds base budget only and uses \$500k of anticipated General Fund reserves	Funds base budget, department requests, and potential addition of 3 staff	Funds base budget and department requests	Funds base budget, department requests, and potential addition of 3 staff
Debt Fund	Funds \$800k of \$1.7m debt service increase	Funds \$800k of \$1.7m debt service increase	Funds full \$1.7m debt service increase	Funds full \$1.7m debt service increase
Current Year Impacts	Low flexibility for final budget and levy adoption	Medium flexibility for final budget and levy adoption	Medium flexibility for final budget and levy adoption	High level of flexibility for final budget and levy adoption
Service Level Impacts	Funds bare minimum needed to continue at 2023 service levels	Funds amounts needed to maintain similar service levels into 2024	Lack of staff additions may adversely impact 2024 service levels	Funds amounts needed to maintain most service levels into 2024
Future Year Impacts	- 2025 debt levy will increase \$900k to cover 2024 cash funded portion plus any other increases - \$500k of anticipated General Fund reserves used for 2024 will minimize savings that have historically been transferred to fund capital equipment, insurance funds, and facilities	- 2025 debt levy will increase \$900k to cover 2024 cash funded portion plus any other increases	- Potential of increased staffing needs in 2025 with no staff additions	- Least adverse future year impacts under this scenario
City Levy % Increase	12.3%	16.7%	18.1%	19.2%
Total City Levy	\$41,663,346	\$43,317,646	\$43,822,501	\$44,222,501

Preliminary Levy Scenario Assumptions

Scenario 1 – 12.3%

- Covers
 - Base Budget
 - \$800k for debt
- Risk: Med
- Use of \$500k of General Fund Reserves
- \$900k debt to be cash funded

Scenario 2 – 16.7%

- Covers
 - Base Budget
 - Department Requests
 - Addition of 3 staff
 - \$800k for debt
- Risk: Med
- \$900k debt to be cash funded

Scenario 3 -18.1%

- Covers
 - Base Budget
 - Department Requests
 - \$1.7m for debt
- Risk: Low

Scenario 4 – 19.2%

- Covers
 - Base Budget
 - Department Requests
 - Addition of 3 staff
 - \$1.7m for debt
- Risk: Low

City has approximately \$2.5m in unrestricted closed bond funds

2024 Positions Requested

Role	Service Level Impact	Estimated Wage and Benefit Costs
General		
Forester	Restore	\$ 130,630
Facilities Manager	Shift	\$ 146,043
Administration Position TBD/Elections & Record Technician	Maintain	\$ 68,817
Public Service Worker - Streets	Maintain	\$ 86,422
Fleet Manager	Maintain	\$ 123,735
Police Training Officer	Enhance	\$ 157,136
Commercial Building Inspector	Maintain	\$ 104,861
MAYC Receptionist (0.5 FTE Increase)	Maintain	\$ 32,335
HR Specialist (Benefits)	Restore	\$ 96,289
Directed Operations Group Sergeant	Shift	\$ 157,136
GIS Intern	Enhance	\$ 31,771
Limited Term 0.5 FTE Accounting Specialist	Restore	\$ 64,332
Total		<u>\$ 1,751,783</u>

Utilities

Public Service Worker - Sewer	Maintain	\$ 86,422
Public Service Worker - Storm	Maintain	\$ 86,422
Total		<u>\$ 172,844</u>



Next Steps

Section 5 of 5

Questions and Notes for Council

- ▶ What questions does council have?
- ▶ What does council want to see for a preliminary levy?
- ▶ Does the council support holding the Truth in Taxation meeting and adopting the final levies on December 18?

City Manager Initial General Fund/EDA Budgets and Preliminary Levy

Council Workshop | Finance

09/11/2023



Slide 1

Budget Calendar – as of 8/18/23

General Fund

Workshop

Last seen: August 21

Upcoming: September 11, September 18

Council meeting

September 18 – Preliminary levy adoption

November 27 – Truth in Taxation

December 4 – Adopt levy

Charitable Gambling

Workshop

September 25

Council meeting

October 16 - Adoption

Communications

Workshop

September 25

Council meeting

October 16 - Adoption

Economic Development Authority

Workshop

September 11

September 18

EDA meeting

September 18 – Preliminary levy adoption

November 27 – Truth in Taxation

December 4 – Adopt levy

Parks CIP

Workshop

July 25 – Park Board

August 15 – NRCB & Park Board

September 25

Council meeting

October 16 - Adoption

Transportation

Workshop

Last seen: August 14

Council meeting

October 16 - Adoption

Facilities

Workshop

September 25

Council meeting

October 16 - Adoption

Capital Equipment

Workshop

September 25

Council meeting

October 16 - Adoption

Refuse

Workshop

October 2

Council meeting

November 6 - Adoption

Sanitary Sewer

Workshop

Last seen: August 14

Upcoming: October 9

Council meeting

November 6 - Adoption

Storm Drainage

Workshop

Last seen: August 14

Upcoming: October 9

Council meeting

November 6 - Adoption

Water

Workshop

Last seen: August 14

Upcoming: October 9

Council meeting

November 6 - Adoption

General Fund

Section 1 of 6



Slide 3



Small Groups (July 2023) - Initial Base Budget Assumptions

2023 service levels at 2024 costs

Assumptions

Personnel	3% COLA, Cafeteria, Adjustments <i>(251.5 FTEs, 3 Interns, Temp & Seasonal Staff)</i>	2,047,517
	Patrol Officers (2) <i>(wages, benefits, workers comp)</i>	290,192
	Insurance and Compensated Absences	1,075,663
Commodities	Salt, Vehicle & Equip Repair Supplies, Fuel	316,324
Other Services & Charges	Taxes, Other Charges, Membership Dues, Training	75,045
Facilities	Operations & Maintenance	288,790
Election Year Adjustment	Election Judges and Related Expenses	187,300
Contractual	SBM Fire, Software, Insurance, Fence Consortium, Legal Fees	715,059
Total		4,995,889



2024 Initial Base Budget Increases (September 2023)

2023 service levels at 2024 costs

Assumptions

	3% COLA, Cafeteria, Adjustments <i>(251.5 FTEs, 3 Interns, Temp & Seasonal Staff)</i>	2,151,335
Personnel	Patrol Officers (2) <i>(wages, benefits, workers comp)</i>	290,192
	Insurance	730,622
Commodities	Salt, Vehicle & Equip Repair Supplies, Fuel	316,324
Other Services & Charges	Taxes, Other Charges, Membership Dues, Training	75,045
Facilities	Operations & Maintenance	288,790
Election Year Adjustment	Election Judges and Related Expenses	187,300
Contractual	SBM Fire, Software, Insurance, Fence Consortium, Legal Fees	786,529
Total		4,826,136

2024 Initial Department Requests Under Consideration

Council Established Guidance

Administration	•Executive Recruitments	35,000
	•Classification & Compensation Update	35,000
	•All Staff Training	20,000
	•NeoGov Onboarding	9,500
Finance	•Finance Software Services	26,800
	•Citywide IT Training	11,000
	•City Software Services	10,000
Safety Services	•Axon Contract Expansion	49,000
Public Works	•Increased Equipment Rentals	6,000
Recreation	•Parks Facilities Repairs & Maintenance	45,000
Community Development	•iMS System Enhancements	10,000
Total Requests	•0.6% Increase from 2023 Adopted	222,300

Council Initiatives

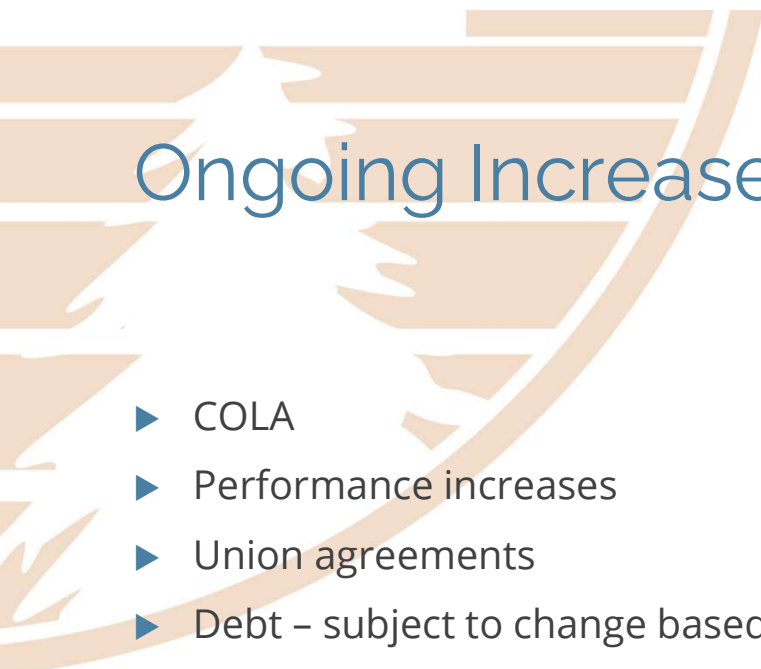
Council	•Funds for Council Initiatives	60,000
Administration	•Enhanced City Marketing and Engagement	20,000
Public Works	•Dead & Diseased Tree Removals	300,000
	•Weed Control	152,000
Total Council Initiatives	•1.3% Increase from 2023 Adopted	532,000

2024 Base and Dept Request Changes Since Small Groups



Base or Dept Req	Description	Change	Notes
Base	Updated SBM Fire budget	71,470	
Base	Reduced Worker's Comp Premiums	(279,041)	
Base	Removed Compensated Absences Increase	(66,000)	
Base	Added Victim Services Position	103,704	\$90,000 grant revenue offset
Base	Misc Other Adjustments	114	
Dept Req	Removed Executive Recruitments	(35,000)	
Total		(204,753)	

As Of	Description	Amount
9/6/2023	General Fund Base Budget Increase	4,826,136
9/6/2023	General Fund Department Requests Increase	754,300
July 2023	General Fund Base Budget Increase	(4,995,889)
July 2023	General Fund Department Requests Increase	(789,300)
	Change	(204,753)



Ongoing Increases

- ▶ COLA
- ▶ Performance increases
- ▶ Union agreements
- ▶ Debt – subject to change based on future capital investment; currently assuming 2023 level
 - ▶ Adding ~\$700k per year in debt levy for transportation (issuance of \$10M)
 - ▶ Adding ~\$800k per year in debt levy for equipment
 - ▶ Deferred replacements
 - ▶ Acquisition challenges

One-Time Finance Adjustments for Ongoing Costs

Adjustment	2024 Increase	2025 Projected Increase
Personnel Budget Corrections	600,000	-
Worker's Compensation*	610,122	41,816
Property, Casualty, & Liability Insurance*	133,300	12,425
Salt - change to more effective material*	80,000	12,000
	1,423,422	66,241
<i>*Assuming a 3% increase for 2025</i>		

2024 General Fund Initial Budget

Expenditures by Department with Revenues



General Fund							
	2023 Adopted	2024 Base vs 2023			2024 Dept Req vs 2023		
Revenue	Budget	2024 Base Budget	Adopted		2024 Dept Req	Adopted	
Taxes	31,712,000	31,712,000	-	0.0%	31,712,000	-	0.0%
Charges for Services	5,124,400	5,109,300	(15,100)	-0.3%	5,109,300	(15,100)	-0.3%
Licenses & Permits	2,874,500	2,763,200	(111,300)	-3.9%	2,763,200	(111,300)	-3.9%
Intergovernmental Revenues	1,626,000	1,945,000	319,000	19.6%	1,945,000	319,000	19.6%
Fines & Forfeitures	220,500	193,000	(27,500)	-12.5%	193,000	(27,500)	-12.5%
Miscellaneous Revenues	60,000	163,500	103,500	172.5%	163,500	103,500	172.5%
Investment Earnings	150,000	150,000	-	0.0%	150,000	-	0.0%
Other Financing Sources	-	122,400	122,400	N/A	122,400	122,400	N/A
Revenue Totals	41,767,400	42,158,400	391,000	0.9%	42,158,400	391,000	0.9%
Expenditures by Department							
10 - Legislative	467,760	475,163	7,403	1.6%	535,163	67,403	14.4%
20 - Administration	2,680,360	3,062,384	382,024	14.3%	3,146,884	466,524	17.4%
30 - Finance	3,865,080	3,619,694	(245,386)	-6.3%	3,667,494	(197,586)	-5.1%
40 - Safety Services	19,956,710	22,993,666	3,036,956	15.2%	23,042,666	3,085,956	15.5%
50 - Public Services	9,910,130	11,002,614	1,092,484	11.0%	11,460,614	1,550,484	15.6%
60 - Recreation	1,476,890	1,627,017	150,127	10.2%	1,672,017	195,127	13.2%
70 - Community Development	2,791,680	3,048,910	257,230	9.2%	3,058,910	267,230	9.6%
Nondepartmental	435,000	580,300	145,300	33.4%	580,300	145,300	33.4%
Expenditure Totals	41,583,610	46,409,746	4,826,136	11.6%	47,164,046	5,580,436	13.4%
Net Surplus (Deficit)	183,790	(4,251,346)			(5,005,646)		

No tax levy increase assumed

Slide 10

2024 General Fund Initial Budget

Expenditures by Account Category

General Fund Expenditures	2023 Adopted Budget	2024 Base	2024 Base vs 2023 Adopted		2024 Dept Requests	2024 Dept Requested
Personnel Services	30,017,160	33,244,809	3,227,649	10.8%	-	33,244,809
Regular Wages	21,263,830	23,239,919	1,976,089	9.3%	-	23,239,919
Other Benefits & Taxes	3,585,450	3,918,520	333,070	9.3%	-	3,918,520
Cafeteria Plan	3,442,060	3,541,747	99,687	2.9%	-	3,541,747
Workers Compensation	783,750	1,393,872	610,122	77.8%	-	1,393,872
Overtime	762,570	795,251	32,681	4.3%	-	795,251
Compensated Absences	150,000	150,000	-	0.0%	-	150,000
Disabled PD Health Insurance	29,500	150,000	120,500	408.5%	-	150,000
Elections	-	55,500	55,500	N/A	-	55,500
Contractual Services	7,876,730	8,794,759	918,029	11.7%	754,300	9,549,059
Contractual Services	2,783,320	2,996,112	212,792	7.6%	724,300	3,720,412
SBM Fire	2,361,320	2,598,085	236,765	10.0%	-	2,598,085
Maintenance - Computers & Software	771,380	869,250	97,870	12.7%	10,000	879,250
Utilities	762,830	828,549	65,719	8.6%	-	828,549
Property, Casualty, and Liability Insurance	280,850	414,150	133,300	47.5%	-	414,150
Maintenance of City Assets	384,850	413,750	28,900	7.5%	-	413,750
Legal Fees	344,450	353,500	9,050	2.6%	-	353,500
Advertising, Public Notices, & Printing	166,730	168,863	2,133	1.3%	20,000	188,863
Elections	21,000	152,500	131,500	626.2%	-	152,500
Supplies	2,269,680	2,586,004	316,324	13.9%	-	2,586,004
Commodities	1,411,980	1,543,638	131,658	9.3%	-	1,543,638
Fuel	577,700	642,366	64,666	11.2%	-	642,366
Salt	280,000	400,000	120,000	42.9%	-	400,000
Other Services & Charges	1,420,040	1,784,175	364,135	25.6%	-	1,784,175
Facilities Charges	1,022,980	1,311,770	288,790	28.2%	-	1,311,770
Training	255,360	297,210	41,850	16.4%	-	297,210
Other Services & Charges	141,700	174,895	33,195	23.4%	-	174,895
Elections	-	300	300	N/A	-	300
Grand Total	41,583,610	46,409,746	4,826,136	11.6%	754,300	47,164,046

Slide 11

Internal Service Funds

Section 2 of 6



Slide 12

Internal Service Funds

- ▶ Definition: A fund that provides goods, benefits, or services to other funds, departments, or agencies on a cost-reimbursement basis; goal to break even
- ▶ City has 5 internal service funds
 - ▶ Compensated Absences
 - ▶ Facilities
 - ▶ Pension Benefits
 - ▶ Self-Insurance
 - ▶ Workers Compensation

Workers Compensation Fund

Purpose

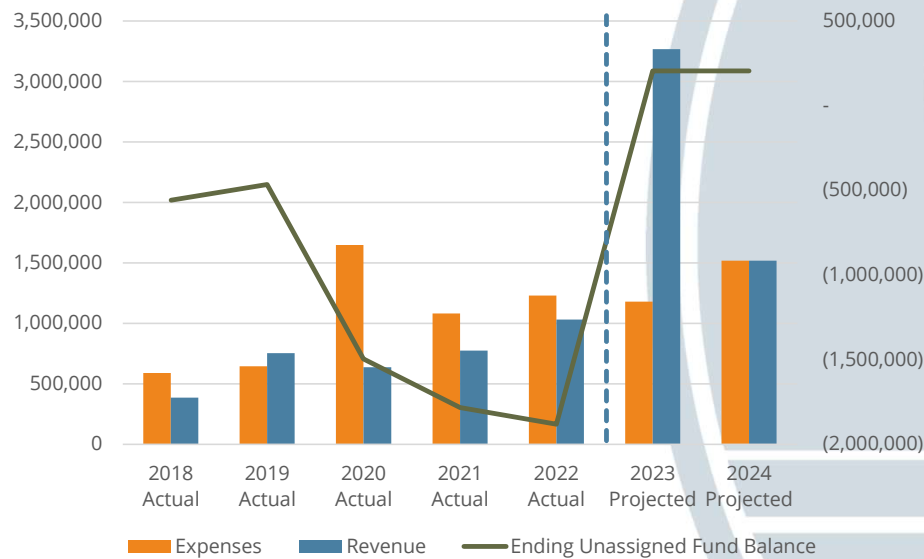
- To account for workers compensation coverage and collect premiums from other city funds

Background

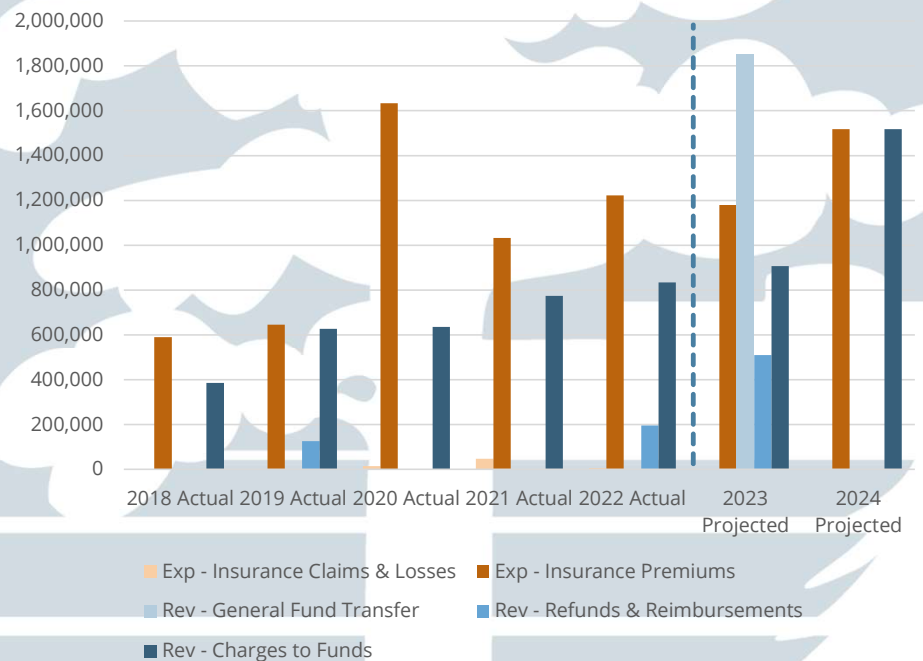
- Set up in 2012
- Funding Sources: charges to other funds, insurance refunds and reimbursements
- City elects a retrospective rating option and pays annual premiums
- Each year's premiums can be adjusted for up to 16 years or the city can pay to close specific years
- Council approved a \$1.85m transfer of General Fund reserves in 2023 to cover the deficit from prior years; during the 2023 budget cycle, those funds were anticipated to reduce the 2023 equipment certificate issuance
- The 2024 budget increase is to ensure ongoing premiums are covered

Workers Compensation Fund History

Workers Compensation
Revenues vs. Expenses
With Ending Unassigned Fund Balance



Workers Compensation
Revenues vs. Expenses Detail



Self-Insurance Fund

Purpose

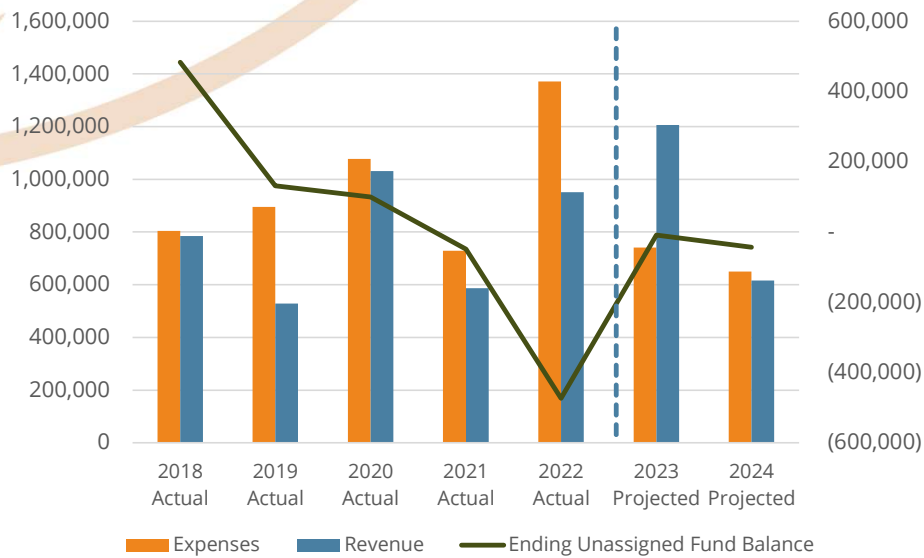
- To account for property, casualty, and liability insurance premiums and deductibles

Background

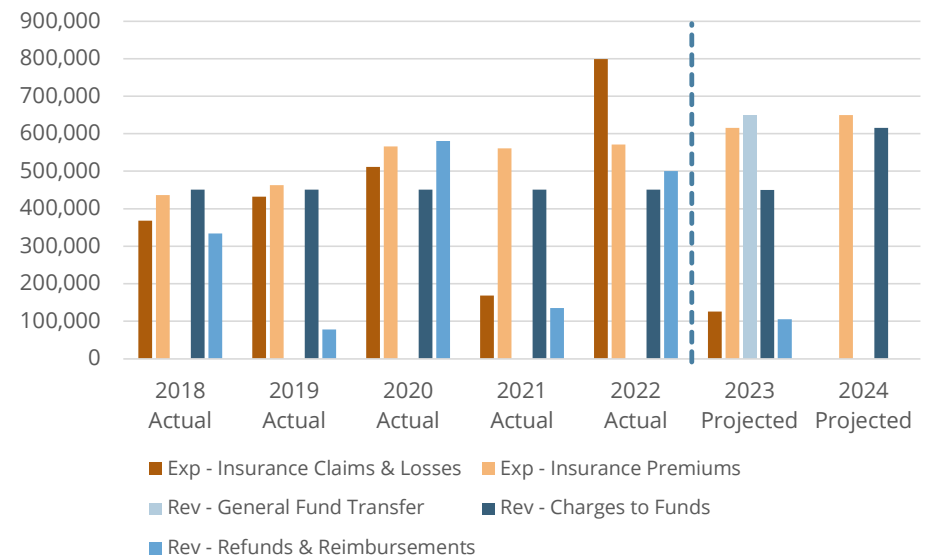
- Set up in 1993
- Funding Sources: charges to other funds, insurance refunds and reimbursements
- City pays annual premiums
- City has deductible of \$100k per occurrence and \$200k aggregate per year; \$1k maintenance deductible after aggregate is met; can pay claims for up to 10 years after the occurrence
- Council approved a \$650k transfer of General Fund reserves in 2023 to cover the deficit from prior years; during the 2023 budget cycle, those funds were anticipated to reduce the 2023 equipment certificate issuance
- The 2024 budget increase is to ensure ongoing premiums are covered
- Deductible coverage needs to be assessed in the future

Self Insurance Fund History

Self-Insurance Fund
Revenues vs. Expenses
With Ending Unassigned Fund Balance



Self-Insurance Fund
Revenues vs. Expenses Detail



Debt Levy

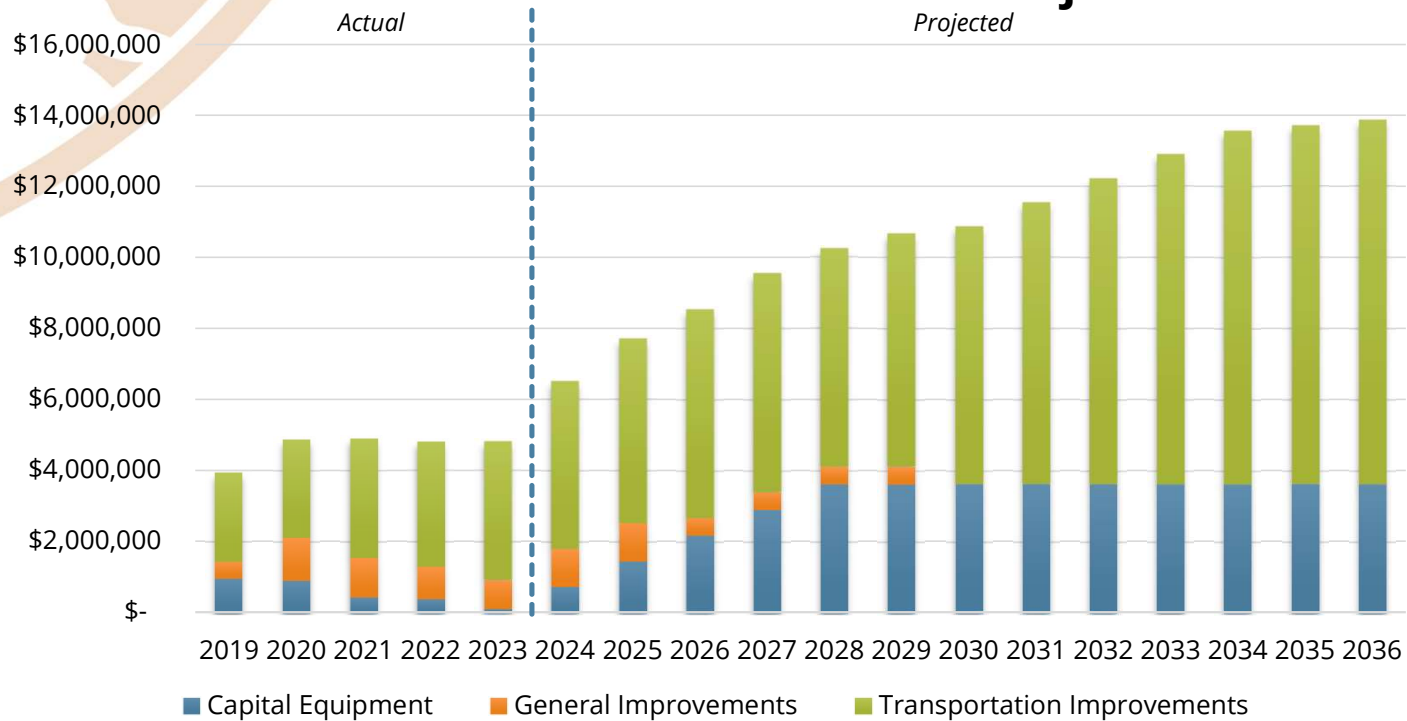
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Ongoing Increases - Debt

Debt Levy by Purpose and Levy Collection Year 2019-2023 Historical & 2024-2036 Projected



Historical Levy Supported Debt

Issuance Information				Levy Collected				
Issuance	First Levy Year	Final Levy Year	Purpose	2019	2020	2021	2022	2023
2012A	2013	2022	Transportation Improvements	100,000	75,000	50,000	30,000	
2012B	2014	2019	Transportation Improvements	400,000				
2013A	2016	2025	General Improvements	475,000	450,000	575,000	450,000	300,000
2014A	2015	2024	Transportation Improvements	375,000	300,000	250,000	250,000	200,000
2014B	2015	2020	Capital Equipment	400,000	450,000			
2016A	2017	2027	Transportation Improvements	1,300,000	1,300,000	1,300,000	1,300,000	1,000,000
SBM Certificate	2019	2021	Capital Equipment	375,000	175,000	200,000		
2017A	2019	2028	Transportation Improvements	300,000	250,000	400,000	250,000	250,000
2018A	2019	2023	Capital Equipment	200,000	300,000	250,000	400,000	125,000
2019A	2020	2034	Transportation Improvements		825,000	600,000	550,000	575,000
2019B	2020	2029	General Improvements		750,000	525,000	450,000	500,000
2020A	2021	2035	Transportation Improvements			750,000	500,000	550,000
2021A	2022	2036	Transportation Improvements				620,000	550,000
2022A	2023	2037	Transportation Improvements					750,000
TOTALS				\$ 3,925,000	\$ 4,875,000	\$ 4,900,000	\$ 4,800,000	\$ 4,800,000
Subtotal by purpose								
			Capital Equipment	\$ 975,000	\$ 925,000	\$ 450,000	\$ 400,000	\$ 125,000
			General Improvements	\$ 475,000	\$ 1,200,000	\$ 1,100,000	\$ 900,000	\$ 800,000
			Transportation Improvements	\$ 2,475,000	\$ 2,750,000	\$ 3,350,000	\$ 3,500,000	\$ 3,875,000
Outstanding Issuances				9	10	10	10	10

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Projected Debt Levy

Issuance Information				Levy Collected												
Issuance	First Levy Year	Final Levy Year	Purpose	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2013A	2016	2025	General Improvements	573,615	578,340											
2014A	2015	2024	Transportation Improvements	185,348												
2016A	2017	2027	Transportation Improvements	1,078,555	1,068,015	1,087,189	717,570									
2017A	2019	2028	Transportation Improvements	254,153	251,710	253,888	250,248	251,433								
2019A	2020	2034	Transportation Improvements	559,550	555,696	556,306	555,865	554,374	562,333	563,467	557,304	561,483	554,690	547,739		
2019B	2020	2029	General Improvements	490,613	486,938	487,725	487,462	486,150	487,305							
2020A	2021	2035	Transportation Improvements	515,200	514,682	513,115	510,497	512,080	514,187	515,455	515,148	514,735	514,217	513,595	512,868	
2021A	2022	2036	Transportation Improvements	584,629	576,445	578,343	579,400	575,680	576,895	577,637	572,631	572,875	578,290	576,761	574,482	574,051
2022A	2023	2037	Transportation Improvements	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432	679,303	679,599	678,321
2023 Equipment Certificates	2024	2028	Capital Equipment	744,000	720,000	720,000	720,000	720,000								
2024 Equipment Certificates	2025	2029	Capital Equipment		744,000	720,000	720,000	720,000	720,000							
2025 Equipment Certificates	2026	2030	Capital Equipment			744,000	720,000	720,000	720,000	720,000						
2026 Equipment Certificates	2027	2031	Capital Equipment				744,000	720,000	720,000	720,000	720,000					
2027 Equipment Certificates	2028	2032	Capital Equipment					744,000	720,000	720,000	720,000	720,000				
2028 Equipment Certificates	2029	2033	Capital Equipment						744,000	720,000	720,000	720,000	720,000			
2029 Equipment Certificates	2030	2034	Capital Equipment							744,000	720,000	720,000	720,000	720,000		
2030 Equipment Certificates	2031	2035	Capital Equipment								744,000	720,000	720,000	720,000	720,000	
2031 Equipment Certificates	2032	2036	Capital Equipment									744,000	720,000	720,000	720,000	720,000
2032 Equipment Certificates	2033	2037	Capital Equipment										744,000	720,000	720,000	720,000
2033 Equipment Certificates	2034	2038	Capital Equipment											744,000	720,000	720,000
2034 Equipment Certificates	2035	2039	Capital Equipment												744,000	720,000
2035 Equipment Certificates	2036	2040	Capital Equipment													744,000
2023 PMP	2024	2038	Transportation Improvements	840,750		680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432	679,303	679,599
2024 PMP	2025	2039	Transportation Improvements		840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432	679,303
2025 PMP	2026	2040	Transportation Improvements			840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252	679,498	677,432
2026 PMP	2027	2041	Transportation Improvements				840,750	678,442	680,313	675,884	675,918	677,822	679,694	680,252	679,498	679,599
2027 PMP	2028	2042	Transportation Improvements					840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694	680,252
2028 PMP	2029	2043	Transportation Improvements						840,750	678,442	680,313	675,884	675,918	680,151	677,822	679,694
2029 PMP	2030	2044	Transportation Improvements							840,750	678,442	680,313	675,884	675,918	680,151	677,822
2030 PMP	2031	2045	Transportation Improvements								840,750	678,442	680,313	675,884	675,918	680,151
2031 PMP	2032	2046	Transportation Improvements									840,750	678,442	680,313	675,884	675,918
2032 PMP	2033	2047	Transportation Improvements										840,750	678,442	680,313	675,884
2033 PMP	2034	2048	Transportation Improvements											840,750	678,442	680,313
2034 PMP	2035	2049	Transportation Improvements												840,750	678,442
2035 PMP	2036	2050	Transportation Improvements													840,750
TOTALS				\$ 6,504,855	\$ 7,695,331	\$ 8,535,955	\$ 9,556,349	\$ 10,235,175	\$ 10,674,000	\$ 10,869,533	\$ 11,538,309	\$ 12,221,817	\$ 12,897,353	\$ 13,567,554	\$ 13,696,408	\$ 13,861,430
Subtotal by purpose																
			Capital Equipment	\$ 744,000	\$ 1,464,000	\$ 2,184,000	\$ 2,904,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000	\$ 3,624,000
			General Improvements	\$ 1,064,228	\$ 1,065,278	\$ 487,725	\$ 487,462	\$ 486,150	\$ 487,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Transportation Improvements	\$ 4,696,627	\$ 5,166,053	\$ 5,864,230	\$ 6,164,887	\$ 6,125,025	\$ 6,562,695	\$ 7,245,533	\$ 7,914,309	\$ 8,597,817	\$ 9,273,353	\$ 9,943,554	\$ 10,072,408	\$ 10,237,430
			Outstanding Issuances	11	12	13	15	16	16	16	17	18	19	20	20	20

EDA

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EDA Budget Summary

	2023 Adopted Budget	2024 Proposed Budget	2023 Adopted vs. 2024 Proposed	
Beginning Fund Balance	\$ 5,132,547	\$ 5,050,087		
<u>REVENUES</u>				
Tax levy	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%
Lodging Tax Fee	5,000	5,000	-	0.0%
TIF Admin Fees	40,000	40,000	-	0.0%
Building Rentals	20,000	15,000	(5,000)	-25.0%
Program Fees	15,000	-	(15,000)	-100.0%
Investments	80,000	80,000	-	0.0%
Other	3,000	3,000	-	0.0%
TOTAL REVENUE	\$ 1,163,000	\$ 1,143,000	\$ (20,000)	-1.7%
<u>EXPENDITURES</u>				
Operating				
Personal Services	\$ 177,480	\$ 195,666	\$ 18,186	10.2%
Supplies	700	700	-	0.0%
Contractual Services	6,500	6,500	-	0.0%
Programs				
3M Tournament	118,500	122,000	3,500	3.0%
City Monument signage	100,000	-	(100,000)	-100.0%
Economic Development Programs				
Targeted Redevelopment	275,000	250,000	(25,000)	-9.1%
Fire Supression Grants	75,000	35,000	(40,000)	-53.3%
Business Appreciation	24,000	30,000	6,000	25.0%
Property holding costs	65,500	83,500	18,000	27.5%
Dues, subscriptions, training	8,600	9,600	1,000	11.6%
Gen Fund Admin Fees	393,300	407,900	14,600	3.7%
Facilities Maintenance	750	920	170	22.7%
Facilities Replacement	130	130	-	0.0%
TOTAL EXPENSES	\$ 1,245,460	\$ 1,141,916	\$ (103,544)	-8.3%
Increase (Decrease) in Fund Balance	\$ (82,460)	\$ 1,084		
Ending Fund Balance	\$ 5,050,087	\$ 5,051,171		

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Levy

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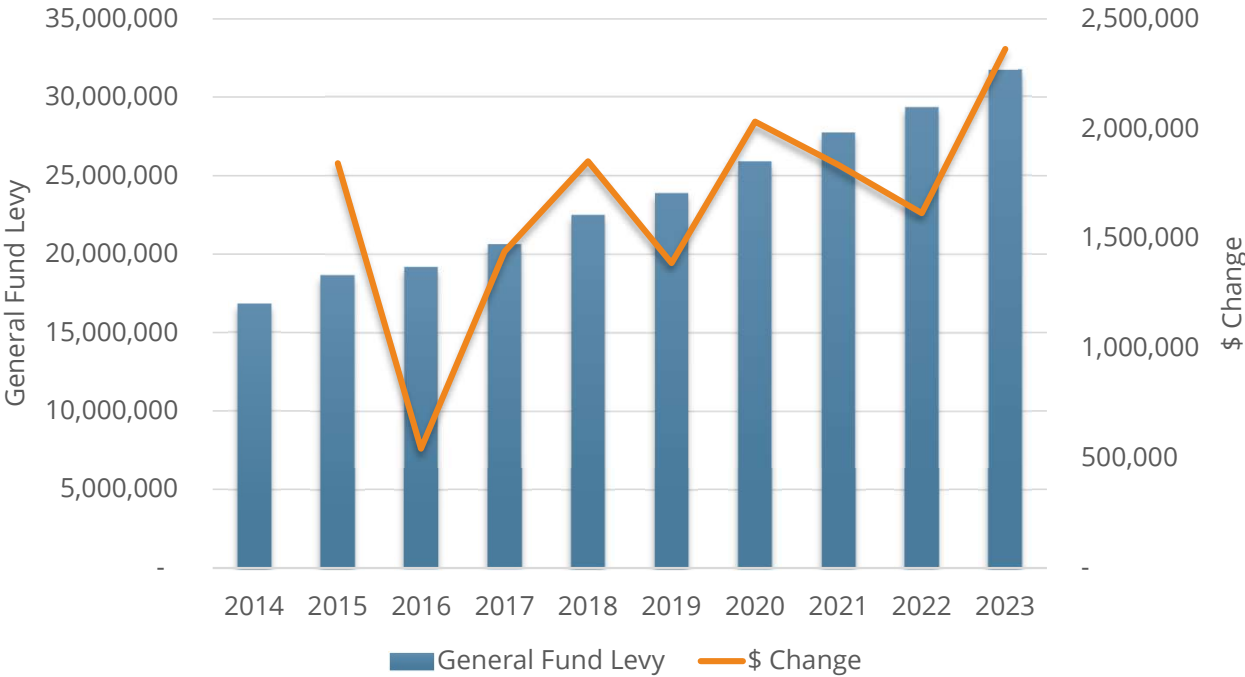


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Historical General Fund Levy

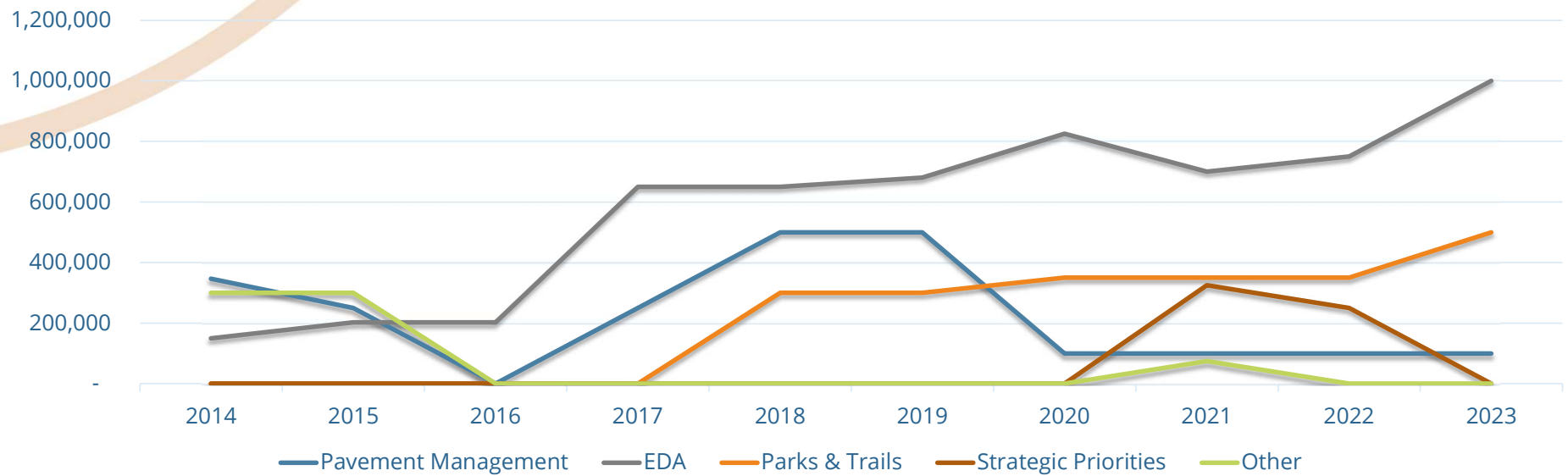


General Fund Levy and \$ Change (10 Years)



Historical Other Levies

All Other Tax Levies (10 Years)





Historical Tax Rate

City and EDA Tax Rate



Preliminary Levy Scenarios and Tax Impact to Median Valued Single-Family Home

	2023 Final Levy	Options for 2024 Preliminary Levy*				If Rate Kept At 2022 Tax Rate
		1	2	3	4	
General Fund	31,712,000	35,463,346	37,117,646	36,717,646	37,117,646	
PMP	100,000	100,000	100,000	100,000	100,000	
Debt Service	4,800,000	5,600,000	5,600,000	6,504,855	6,504,855	
Parks and Trails	500,000	500,000	500,000	500,000	500,000	
Levy to Allocate						8,256,000
City Levy	\$ 37,112,000	\$ 41,663,346	\$ 43,317,646	\$ 43,822,501	\$ 44,222,501	\$ 45,368,000
City Levy % Change		12.3%	16.7%	18.1%	19.2%	
City Tax Rate	31.800%	31.959%	33.367%	33.797%	34.137%	35.113%
Median EMV SFH	\$ 330.125	\$ 338.525	\$ 338.525	\$ 338.525	\$ 338.525	\$ 338.525
City Tax Impact*	\$ 1,025.87	\$ 1,060.08	\$ 1,106.78	\$ 1,121.05	\$ 1,132.32	\$ 1,164.70
\$ Change		\$ 34.21	\$ 80.91	\$ 95.18	\$ 106.45	\$ 138.83
% Change		3.33%	7.89%	9.28%	10.38%	13.53%
EDA Levy	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
EDA Tax Rate	0.880%	0.755%	0.755%	0.755%	0.755%	
EDA Tax Impact*	\$ 28.39	\$ 25.04	\$ 25.04	\$ 25.04	\$ 25.04	
Total Levy	\$ 38,112,000	\$ 42,663,346	\$ 44,317,646	\$ 44,822,501	\$ 45,222,501	
Total Levy % Change		11.9%	16.3%	17.6%	18.7%	
Total Tax Rate	32.680%	32.714%	34.122%	34.552%	34.892%	
Total Tax Impact*	\$ 1,054.26	\$ 1,085.12	\$ 1,131.82	\$ 1,146.09	\$ 1,157.36	
\$ Change		\$ 30.86	\$ 77.56	\$ 91.83	\$ 103.10	
% Change		2.93%	7.36%	8.71%	9.78%	

* Tax impact based on median valued single-family home

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Preliminary Levy Scenario Assumptions

Scenario 1 – 12.3%

- Covers
 - Base Budget
 - \$800k for debt
- Risk: Med
- Use of \$500k of General Fund Reserves
- \$900k debt to be cash funded

Scenario 2 – 16.7%

- Covers
 - Base Budget
 - Department Requests
 - Addition of 3 staff
 - \$800k for debt
- Risk: Med
- \$900k debt to be cash funded

Scenario 3 -18.1%

- Covers
 - Base Budget
 - Department Requests
 - \$1.7m for debt
- Risk: Low

Scenario 4 – 19.2%

- Covers
 - Base Budget
 - Department Requests
 - Addition of 3 staff
 - \$1.7m for debt
- Risk: Low

City has approximately \$2.5m in unrestricted closed bond funds

2024 Positions Requested

Role	Service Level Impact	Estimated Wage and Benefit Costs
General		
Forester	Restore	\$ 130,630
Facilities Manager	Shift	\$ 146,043
Administration Position TBD/Elections & Record Technician	Maintain	\$ 68,817
Public Service Worker - Streets	Maintain	\$ 86,422
Fleet Manager	Maintain	\$ 123,735
Police Training Officer	Enhance	\$ 157,136
Commercial Building Inspector	Maintain	\$ 104,861
MAYC Receptionist (0.5 FTE Increase)	Maintain	\$ 32,335
HR Specialist (Benefits)	Restore	\$ 96,289
Directed Operations Group Sergeant	Shift	\$ 157,136
GIS Intern	Enhance	\$ 31,771
Limited Term 0.5 FTE Accounting Specialist	Restore	\$ 64,332
Total		<u>\$ 1,751,783</u>
Utilities		
Public Service Worker - Sewer	Maintain	\$ 86,422
Public Service Worker - Storm	Maintain	\$ 86,422
Total		<u>\$ 172,844</u>

Next Steps

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Questions and Notes for Council

- ▶ What additional information does council want to see for the September 18 workshop?
- ▶ What does the council want to see brought forward for a preliminary levy on September 18?
- ▶ Does the council support holding a special Truth in Taxation hearing on November 27 and adopting the final levies on December 4?
- ▶ September 18 – Council Workshop: General Fund, EDA, and Preliminary Levy
- ▶ September 18 – Council Meeting: Adopt preliminary levy



City of Blaine Staff Report

File Number: 2023-430

Agenda Date	Status
September 18, 2023	
In Control	File Type
City Council	Workshop Item

New Business - Ben Hayle, Communications Manager, Michelle Wolfe, City Manager

Agenda Item # 2.2

2023-2026 Strategic Plan Review

Background

From April 2023 through August 2023, the City of Blaine engaged in a strategic planning process. The process yielded an organizational strategic plan covering 2023-2026. An organizational strategic plan is not designed to be a community visioning document. The City participates in community visioning through the comprehensive planning process and select master planning efforts. The new strategic plan was built from an existing plan that was first created in 2019 and then updated in 2022.

The plan consists of six strategic priorities — the issues of greatest importance to the City over the next four years. Associated with each priority is a set of desired outcomes, key outcome indicators, and performance targets, describing expected results and how the results will be measured. The plan also includes strategic initiatives that will be undertaken to achieve the targeted outcomes.

The planning effort began with an examination of the operating environment, consisting of an environmental scan and strengths, weaknesses, opportunities and threats (SWOT) analysis. On June 12, 2023, the City Council held a facilitated strategic planning retreat with staff. At the retreat, the team identified a set of priorities, key outcomes, performance targets, and reviewed the City's vision, mission, and values statements. Based upon those priorities, the City staff met on July 13, 2023, to determine a set of strategic initiatives and begin the process of developing detailed action plans.

Staff is seeking Council feedback prior to bringing the strategic plan forward for formal adoption. After the plan is adopted, staff will begin planning for implementation with regular updates to the Council.

Staff Recommendation

Provide feedback on the strategic plan.

Questions for Council

1. Are you comfortable moving forward with the strategic plan as presented?
2. If not, what changes would you like to discuss?
3. How often would you like to receive updates on the plan and how would you like to receive the updates?

Attachment List

1. City of Blaine Strategic Plan 2023-2026
2. Strategic Plan Presentation Slides



FY 2023 – 2026 **STRATEGIC PLAN**

AUGUST 2023



City of Blaine



RAPP CONSULTING GROUP

August 25, 2023

RE: 2023-2026 Strategic Plan – City of Blaine

Dear Mayor Sanders,

Enclosed is the City of Blaine's 2023-2026 Strategic Plan. The plan reflects the organization's priorities, commitment to measurable results and the delivery of quality services.

It has been a pleasure assisting the City of Blaine with this important effort. The entire organization displayed openness, dedication, and a desire for continuous improvement.

I particularly wish to thank City Manager Michelle Wolfe and Communications Manager Ben Hayle for their help and support during the process.

Yours truly,

Craig R. Rapp
President

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EXECUTIVE SUMMARY

From April 2023 through August 2023, the City of Blaine engaged in a strategic planning process. The process yielded a strategic plan covering 2023-2026.

The plan consists of six **strategic priorities** — the issues of greatest importance to the City over the next four years. Associated with each priority is a set of **desired outcomes**, **key outcome indicators**, and **performance targets**, describing expected results and how the results will be measured. The plan also includes **strategic initiatives** that will be undertaken to achieve the targeted outcomes.

The planning effort began with an examination of the operating environment, consisting of an Environmental Scan and a Strengths, Weaknesses, Opportunities & Threats (SWOT) analysis. On June 12, 2023, the City's leadership team held a full day strategic planning session. They identified a set of priorities, key outcomes, performance targets, and reviewed the City's vision, mission, and values statements.

Based upon those priorities, the City's management team met on July 13, 2023, to determine a set of strategic initiatives and begin the process of developing detailed action plans. The strategic priorities, key outcome indicators, performance targets and strategic initiatives are summarized here and on the following page.



strategy

The Plan

Six Strategic Priorities

- 1 FINANCIAL SUSTAINABILITY
- 2 ECONOMIC DEVELOPMENT
- 3 INFRASTRUCTURE MANAGEMENT
- 4 ORGANIZATIONAL HEALTH
- 5 COLLABORATION AND ENGAGEMENT
- 6 TH 65 IMPROVEMENT

STRATEGIC PLAN SUMMARY 2023-2026

City of Blaine

Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiatives
Financial Sustainability <i>A financially responsible organization</i>	Financial stability in all funds	- Year-end fund balances - Policy targets met	- Meet utility and proprietary fund balance targets by 12/2026	a) Development of Comprehensive Financial Manual
	Structurally balanced financial system	- Financial plan adoption - Funding plan adoption	- Long-term financial plan in place and funded by 12/2026	b) Identify & evaluate alternative funding sources
	Non-tax revenues increased	- Annual increase in non-tax revenue - Number of non-tax revenue sources	- Maintain ratio of tax/non-tax revenue sources - General fund non-tax revenues increased ___% 2023-2027	c) Create/adopt Comprehensive Long-range Financial Plan
Economic Development <i>Thoughtfully planned growth and renewal</i>	Successful redevelopment of priority projects	- 105th St. project initiated - Rainbow Village completion	- 40% of 105th St. project completed by 12/2027 - Rainbow Village completed by 12/2026	a) Revised Master Plan for 105th Area
	Targeted development areas improved	- Lex Meadows completed - Lex Crossings ground broken	- Completion of Lex Meadows by 12/2026 - Lex Crossings groundbreaking by 1/2026	b) Implementation of Northtown Master Plan
	Improved commercial-retail sector	- Retail sq. ft. added - # of new retail projects	- 60,000 sq. ft. of new retail space added 12/2023-12/2026	c) Lexington Meadows implementation d) Lexington Crossings implementation e) Create commercial/retail sector marketing strategy
Infrastructure Management <i>Reliable, sustainable, infrastructure</i>	Sustainable capital assets	- Capital assets replaced on schedule	- All capital assets replaced at 80% of scheduled life cycle	a) Develop 10 YR CIP and funding plan
	Well-maintained infrastructure	- Infrastructure rating achieved - Maintenance schedule adherence	- > ___% of all infrastructure meets maintenance & reliability standards annually	b) Develop inspection and maintenance strategy
	Infrastructure adequate to support growth	- CIP adopted - Funding plan approved	- 10 yr. CIP/asset mgmt. & funding plan in place by ___	c) Create Comprehensive Asset Management Plan
Organizational Health <i>Capabilities and capacity to meet community needs</i>	Adequate staff to meet core services and demands	- Service level defined - Staffing plans adopted	- Staffing plan and service levels in ___#_ core services by ___	a) Conduct a Staffing Analysis
	Well-trained leaders	- % of leadership vacancies filled internally	- > ___% of leadership vacancies filled internally	b) Establish Departmental Succession Plans
	Healthy workplace culture	- Survey results confirm healthy workplace	- > 75% of employees confirm a positive workplace culture by 12/2026	c) Finalize Supervisor Training Plan d) Develop Organizational Culture Enhancement Plan
Collaboration and Engagement <i>Collaborating to increase our connection</i>	An inclusive, engaged, involved community	- Positive feedback on community inclusiveness & engagement	- > ___% of feedback confirms inclusive enrollment by ___ - > ___% of feedback positive re: City engagement efforts by ___	a) Create Governance Index
	Healthy Council working relationships	- Positive Council Governance Index score - Positive Council-Staff Relationship Index Score	- Council Governance Index score =/> ___% annually - Council-Staff Relationship Index score =/> ___% annually	b) Establish Council governance training process
	Improved trust in City government	- Stakeholder Feedback reflects trust in City gov't	- > ___% respondents indicate they trust City by ___	c) Create Council/Staff Relationship Index d) Create a Comprehensive Community Engagement and Trust Building Program
TH 65 Improvement <i>Transportation to meet local and regional needs</i>	Segment #2 (99th to 117th) progress	- Segment #2 completed	- Segment #2 construction complete by 2028	a) Segment #1 project coordination
	Segment #2 (99th to 117th) Right of way secured	- ROW secured	- ROW in place entire corridor by February 2025	b) Segment #2 project delivery coordination
	Segment #1 (CSAH 10 to 93) clarified	- Segment #1 alignment decision	- Segment #1 preferred alignment by 2026	c) Segment #2 project right of way coordination

STRATEGIC PLANNING PROCESS

Strategic planning is a process that enables leaders to examine the current state of the organization, determine a desired future state, establish priorities, and define a set of actions to achieve desired outcomes. The process followed by the City of Blaine was designed to answer four key questions: (1) Where are we now? (2) Where are we going? (3) How will we get there? (4) What will we do? The process is divided into a development phase and an implementation phase. The full process is depicted below.



Initiating the Process: Setting Expectations, Charting the Course

The strategic planning process began with a meeting of the City's senior staff on April 10, 2023. The meeting included a review of strategic planning principles, discussion on the status of previous strategic plans, current organizational challenges, and other operational issues.

The group established a framework for developing an environmental scan, a process for conducting a SWOT analysis, and details regarding implementation.

Over the subsequent two months, the environmental scan and SWOT analysis were conducted. The environmental scan was presented to the Council on May 8, 2023. Council provided feedback on the scan to staff that was incorporated into the strategic planning process.

Setting Direction: Mission, Value Proposition, Vision, Priorities

On June 12, 2023 the City Council and senior staff held a retreat to develop the strategic plan. To address the question "Where are we now?" the group was challenged to define its value proposition. A value proposition is how an organization provides value to its customers and chooses to deliver its services. Three different value propositions are used across all sectors of the economy (see below). Organizations choose a primary value proposition, then set, and meet threshold standards on the other two.

During extended discussion, it was acknowledged that value propositions and service approaches varied by department and circumstance. It was concluded however, that operational excellence has been foundational and will continue to be important for operational stability. For that reason, **operational excellence** was chosen as the primary value proposition, with **customer intimacy** the secondary focus.

From Challenges to Priorities

The leadership team reviewed the current operating environment using the results of the environmental scan and SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis conducted in advance of the planning session.

THREE VALUE PROPOSITIONS

Operational Excellence

(example: Wal-Mart, Southwest Airlines) *Motto: They adjust to us*

Product/Service Leadership

(example: Apple, Google)
Motto: They 'ooh and ah' over our services

Customer Intimacy

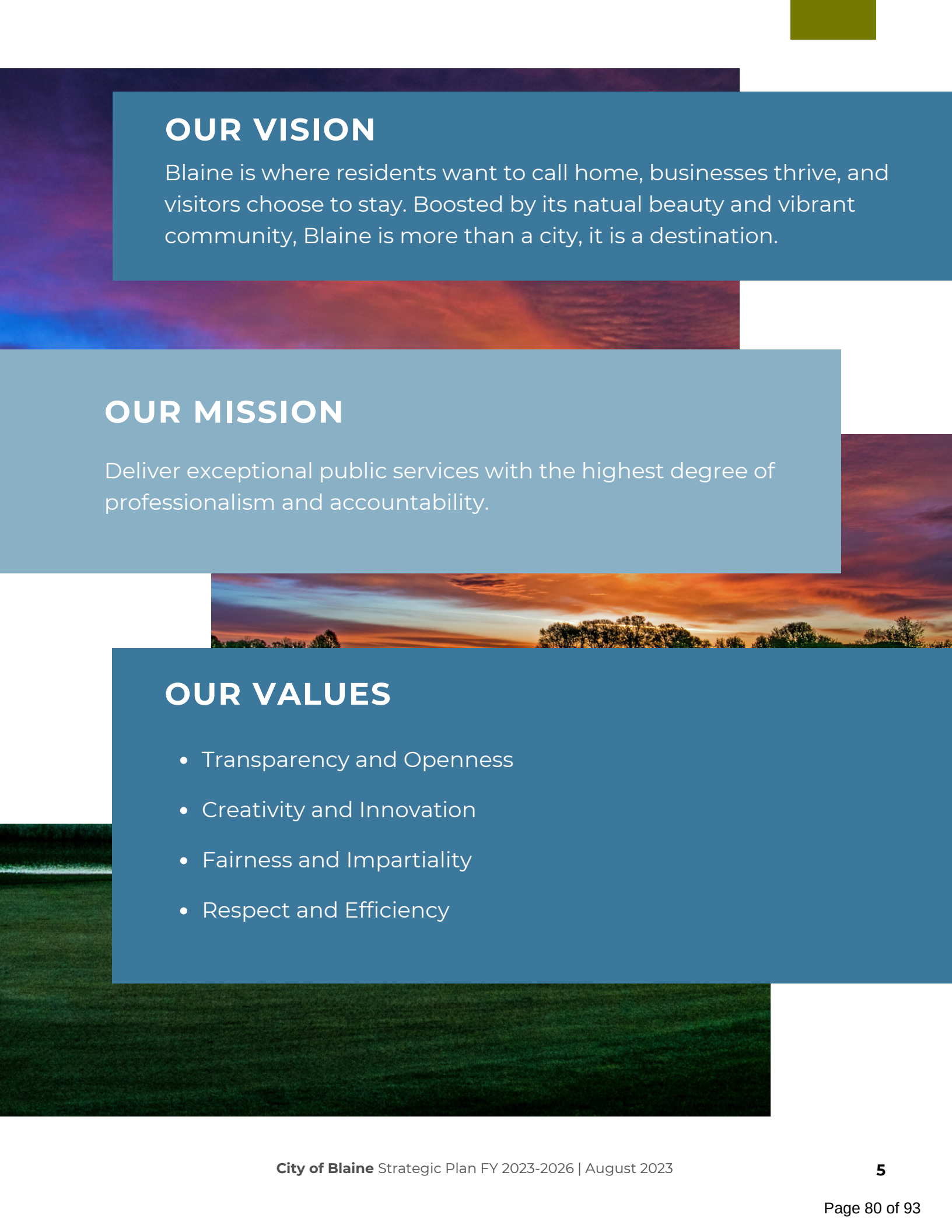
(example: Nordstrom, Ritz-Carlton)
Motto: We get to know them, solve their problems, satisfy their needs



A facilitated process based on the scan and SWOT yielded a set of organizational challenges and strategic issues confronting the City.

Based upon the challenges and issues, a set of six strategic priorities were established. Within each priority, a set of desired outcomes were defined, along with key outcome indicators (KOI's), and a set of performance targets.

To address the strategic priorities, achieve outcomes and reach the targets, the management staff, with guidance from the City Council, identified a set of strategic initiatives and detailed action plans, which will be implemented over the duration of the plan.



OUR VISION

Blaine is where residents want to call home, businesses thrive, and visitors choose to stay. Boosted by its natural beauty and vibrant community, Blaine is more than a city, it is a destination.

OUR MISSION

Deliver exceptional public services with the highest degree of professionalism and accountability.

OUR VALUES

- Transparency and Openness
- Creativity and Innovation
- Fairness and Impartiality
- Respect and Efficiency

Reviewing the Environment: SWOT Analysis

An important part of the strategic planning process is a review of the current operating environment and an evaluation of the challenges confronting the community. This was accomplished via a SWOT analysis—a process that examines the organization's internal strengths and weaknesses, as well as the opportunities and threats in the external environment. The results are displayed below. A link to the entire SWOT data can be found [HERE](#).

STRENGTHS

- Excellent, experienced and dedicated staff
- Strong leadership (both elected & staff)
- Strong financial management
- Commitment to community
- Future growth opportunities
- Collaboration and relationships

WEAKNESSES

- Lack of Council experience
- Unity infrastructure and deferred maintenance
- Staffing and work culture burnout
- Finance Director retirement

SWOT Analysis

- Hwy 65
- Redevelopment
- The potential the City of Blaine has
- Reputation of Blaine's Police Department
- Being a desirable place
- Becoming a sports destination

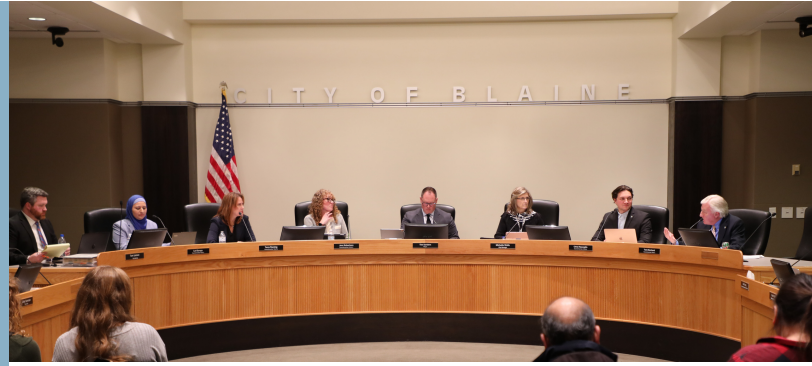
OPPORTUNITIES

- Inequity with development and resources
- Hwy 65
- Distrust and misinformation
- Lack of consensus in the new Council and its culture
- The housing market and economy
- Recruitment and retention of staff
- Increasing resident expectations

THREATS

STRATEGIC PRIORITY 1

Financial Sustainability



OUTCOME

Financial stability in all funds

KEY OUTCOME INDICATOR

Year-end fund balances; policy targets met

TARGET

Meet utility & proprietary fund balance targets by 12/2026

OUTCOME

Structurally balanced financial system

KEY OUTCOME INDICATOR

Financial plan adoption; funding plan adoption

TARGET

Long-term financial plan in place and funded by 12/2026

OUTCOME

Non-tax revenues increased

KEY OUTCOME INDICATOR

Annual increase in non-tax revenue; number of non-tax revenue sources

TARGET

Maintain ratio of tax/non-tax revenue sources; general fund non-tax revenues increased __% 2023-2027

STRATEGIC INITIATIVES

1. Develop Comprehensive Financial Manual
2. Identify & evaluate alternative funding sources

3. Create & adopt a Comprehensive Long-range Financial Plan

STRATEGIC PRIORITY 2

Economic Development



OUTCOME

Successful redevelopment of priority projects

KEY OUTCOME INDICATOR

105th St. project initiated; Rainbow Village completion

TARGET

40% of 105th St. project completed by 12/2027; Rainbow Village completed by 12/2026

OUTCOME

Targeted development areas improved

KEY OUTCOME INDICATOR

Lex Meadows completed; Lex Crossings ground broken

TARGET

Completion of Lex Meadows by 12/2026; Lex Crossings groundbreaking by 1/2026

OUTCOME

Improved commercial-retail sector

KEY OUTCOME INDICATOR

Retail sq. ft. added; # of new retail projects

TARGET

60,000 sq. ft. of new retail space added 12/2023-12/2026

STRATEGIC INITIATIVES

1. Revised Master Plan for 105th Area
2. Implementation of Northtown Master Plan
3. Lexington Meadows (109th and Lexington Avenue) implementation
4. Lexington Crossings (125th and Lexington Avenue) implementation
5. Create commercial/retail sector marketing strategy

STRATEGIC PRIORITY 3

Infrastructure Management



OUTCOME

Sustainable capital assets

KEY OUTCOME INDICATOR

Capital assets replaced on schedule

TARGET

All capital assets replaced at 80% of scheduled life cycle

OUTCOME

Well-maintained infrastructure

KEY OUTCOME INDICATOR

Infrastructure rating achieved; maintenance schedule adherence

TARGET

>__% of all infrastructure meets maintenance & reliability standards annually

OUTCOME

Infrastructure adequate to support growth

KEY OUTCOME INDICATOR

CIP adopted; funding plan approved

TARGET

10 yr. CIP/asset mgmt. and funding plan in place by ____

STRATEGIC INITIATIVES

1. Develop 10 YR CIP and funding plan
2. Develop inspection and maintenance strategy

3. Create Comprehensive Asset Management Plan

STRATEGIC PRIORITY 4

Organizational Health



OUTCOME

Adequate staff to meet core services and demands

KEY OUTCOME INDICATOR

Service level defined; staffing plans adopted

TARGET

Staffing plan and service levels in __#__ core services by ____

OUTCOME

Well-trained leaders

KEY OUTCOME INDICATOR

__% of leadership vacancies filled internally

TARGET

> than __% of leadership vacancies filled internally

OUTCOME

Healthy workplace culture

KEY OUTCOME INDICATOR

Survey results confirm healthy workplace

TARGET

>75% of employees confirm a positive workplace culture by 12/2026

STRATEGIC INITIATIVES

1. Conduct a Staffing Analysis
2. Establish Departmental Succession Plans

3. Finalize Supervisor Training Plan
4. Develop Organizational Culture Enhancement Plan

STRATEGIC PRIORITY 5

Collaboration and Engagement



OUTCOME

An inclusive, engaged, involved community

KEY OUTCOME INDICATOR

Positive feedback on community inclusiveness & engagement

TARGET

>__% of feedback confirms inclusive enrollment by __; >__% of feedback positive re: City engagement efforts by __

OUTCOME

Healthy Council working relationships

KEY OUTCOME INDICATOR

Positive Council Governance Index score;
Positive Council-Staff Relationship Index score

TARGET

Council Governance Index score =/>__% annually; Council-Staff Relationship Index score =/>__% annually

OUTCOME

Improved trust in City government

KEY OUTCOME INDICATOR

Stakeholder feedback reflects trust in City gov't

TARGET

>__% respondents indicate they trust City by __

STRATEGIC INITIATIVES

1. Create Governance Index
2. Establish Council governance training process

3. Create Council/Staff Relationship Index
4. Create a Comprehensive Community Engagement and Trust Building Program

STRATEGIC PRIORITY 6 TH 65 Improvement



OUTCOME

Segment #2 (99th to 117th) progress

KEY OUTCOME INDICATOR

Segment #2 completed

TARGET

Segment #2 construction complete by 2028

OUTCOME

Segment #2 (99th to 117th)
Right of way secured

KEY OUTCOME INDICATOR

ROW secured

TARGET

ROW in place entire corridor by February 2025

OUTCOME

Segment #1 (CSAH 10 to 93) clarified

KEY OUTCOME INDICATOR

Segment #1 alignment decision

TARGET

Segment #1 preferred alignment by 2026

STRATEGIC INITIATIVES

1. Segment #1 project coordination
2. Segment #2 project delivery coordination

3. Segment #1 project ROW coordination

STRATEGIC PLANNING PARTICIPANTS

The Strategic Plan was developed with the hard work and dedication of many individuals. The City Council led the way, taking time out of their schedules to commit to long-term thinking. They defined a direction and a set of outcomes that are important to the community stakeholders with whom they partner and serve.

The City's senior staff supported the Council and offered an operations perspective as well as ideas for continuous improvement.

CITY COUNCIL

Tim Sanders, *Mayor*

Terra Fleming, *Councilmember*

Leslie Larson, *Councilmember*

Chris Massoglia, *Councilmember*

Tom Newland, *Councilmember*

Jess Roberson, *Councilmember*

Lori Sayora, *Councilmember*

DEPARTMENT HEADS & STAFF

Michelle Wolfe, *City Manager*

Joe Huss, *Finance Director/Assistant City Manager*

Erik Thorvig, *Community Development Director*

Cassandra Tabor, *Director of Administration*

Brian Podany, *Police Chief*

Dan Schluender, *Director of Engineering*

Nick Fleischhacker, *Public Works Director*

Ben Hayle, *Communications Manager*

Sheri Chesness, *Deputy Human Resources Director*

Cathy Sorensen, *City Clerk*

Sheila Sellman, *City Planner*

Jerome Krieger, *Senior Parks and Rec Manager*

Ali Bong, *Deputy Finance Director*

Lisa Derr, *Senior Management Analyst*

CONSULTANTS

Rapp Consulting Group

Craig Rapp, *President*



City of Blaine Strategic Plan

2023-2026

Strategic Priorities

- ▶ Financial Sustainability
- ▶ Economic Development
- ▶ Infrastructure Management
- ▶ Organizational Health
- ▶ Collaboration and Engagement
- ▶ TH 65 Improvements



Strategic Plan Review

- ▶ Refer to Handout →
- ▶ Desired Outcomes
- ▶ Strategic Initiatives



STRATEGIC PLAN SUMMARY 2023-2026
City of Blaine

Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiatives
Financial Sustainability <i>A financially responsible organization</i>	Financial stability in all funds	- Year-end fund balances - Policy targets met	- Meet utility and proprietary fund balance targets by 12/2026	a) Development of Comprehensive Financial Manual b) Identify & evaluate alternative funding sources c) Create/adopt Comprehensive Long-range Financial Plan
	Structurally balanced financial system	- Financial plan adoption - Funding plan adoption	- Long-term financial plan in place and funded by 12/2026	
	Non-tax revenues increased	- Annual increase in non-tax revenue - Number of non-tax revenue sources	- Maintain ratio of tax/non-tax revenues - General fund non-tax revenues increased ___% 2023-2027	
Economic Development <i>Thoughtfully planned growth and renewal</i>	Successful redevelopment of priority projects	- 105th St. project initiated - Rainbow Village completed	- 40% of 105th St. project completed by 12/2027 - Rainbow Village completed by 12/2026	a) Revised Master Plan for 105th Area b) Implementation of Northtown Master Plan c) Lexington Meadows implementation d) Lexington Crossings implementation e) Create commercial/retail sector marketing strategy
	Targeted development areas improved	- Lex Meadows completed - Lex Crossings ground broken	- Completion of Lex Meadows by 12/2026 - Lex Crossings ground breaking by 12/2026	
	Improved commercial-retail sector	- Retail sq. ft. added - # of new retail projects	- 60,000 sq. ft. of new retail space added 12/2023-12/2026	
Infrastructure Management <i>Reliable, sustainable, infrastructure</i>	Sustainable capital assets	- Capital assets replaced on schedule	- All capital assets replaced at 80% of scheduled life cycle	a) Develop 10 YR CIP and funding plan b) Develop inspection and maintenance strategy c) Create Comprehensive Asset Management Plan
	Well-maintained infrastructure	- Infrastructure rating achieved - Maintenance schedule adherence	- > ___% of all infrastructure meets maintenance & reliability standards annually	
	Infrastructure adequate to support growth	- CIP adopted - Funding plan approved	- 10 yr. CIP/asset mgmt. & funding plan in place by ____	
Organizational Health <i>Capabilities and capacity to meet community needs</i>	Adequate staff to meet core services and demands	- Service level defined - Staffing plans adopted	- Staffing plan and service levels in ___ core services by ____	a) Conduct a Staffing Analysis b) Establish Departmental Succession Plans c) Finalize Supervisor Training Plan d) Develop Organizational Culture Enhancement Plan
	Well-trained leaders	- % of leadership vacancies filled internally	- > ___% of leadership vacancies filled internally	
	Healthy workplace culture	- Survey results confirm healthy workplace	- > 75% of employees confirm a positive workplace culture by 12/2026	
Collaboration and Engagement <i>Collaborating to increase our connection</i>	An inclusive, engaged, involved community	- Positive feedback on community inclusiveness & engagement	- > ___% of feedback confirms inclusive involvement by ____ - > ___% of feedback positive re: City engagement efforts by ____	a) Create Governance Index b) Establish Council governance training process c) Create Council/Staff Relationship Index d) Create a Comprehensive Community Engagement and Trust Building Program
	Healthy Council working relationships	- Positive Council Governance Index score - Positive Council-Staff Relationship Index score	- Council Governance Index score > ___% annually - Council-Staff Relationship Index score > ___% annually	
	Improved trust in City government	- Stakeholder Feedback reflects trust in City gov't	- > ___% respondents indicate they trust City by ____	
TH 65 Improvement <i>Transportation to meet local and regional needs</i>	Segment #2 (99th to 117th) progress	- Segment #2 completed	- Segment #2 construction complete by 2028	a) Segment #1 project coordination b) Segment #2 project delivery coordination c) Segment #2 project right-of-way coordination
	Segment #2 (99th to 117th) Right of way secured	- ROW secured	- ROW in place entire corridor by February 2025	
	Segment #1 (CSAH 10 to 93) clarified	- Segment #1 alignment decision	- Segment #1 preferred alignment by 2026	

City of Blaine Strategic Plan FY 2023-2026 | August 2023

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Questions for Council



- ▶ Are you comfortable moving forward with the strategic plan as presented?
- ▶ If not, what changes would you like to discuss?
- ▶ How often would you like to receive updates on the plan and how would you like to receive the updates?



City of Blaine Staff Report

File Number: 2023-448

Agenda Date

September 18, 2023

Status

In Control

City Council

File Type

Workshop Item

New Business - Tom Loonan, City Attorney

Agenda Item # 2.3

Closed Session to Discuss Non-Public Data Relating to an Active Investigation Pursuant to Minnesota Statute Section 13D.05, Subd. 2(2)

Background

Staff Recommendation

Questions for Council

Attachment List

None