City of Blaine
City Council Workshop

November 20, 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. 2023-584 2024 General Fund Budget
Sponsors: Jason Zimmerman, Finance Director

2.2. 2023-582 2024 Charitable Gambling Fund Budget
Sponsors: Jason Zimmerman, Finance Director

2.3. 2023-571 Closed Session Pursuant to MN Statute 13D.05(3)(c)(3) - Discuss Purchase of 10550 Radisson Road
Sponsors: Erik Thorvig, Community Development Director

3. Other Business

4. Adjournment

City of Blaine
Staff Report

File Number: 2023-584

Agenda Date	Status
November 20, 2023	

In Control	File Type
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director, Jenna Trittin, Finance Analyst

Agenda Item # 2.1

2024 General Fund Budget

Background

At the September 11 council workshop (Item 2.5), 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.

At the September 18 council workshop (item 2.1), staff provided additional information on the General Fund and Council adopted a preliminary city levy of $44,222,501, an increase of 19.2 percent, at the September 18 council meeting.

The breakdown of the 19.2 percent preliminary levy increase is below:

- 14.57 percent – General Fund budget total
    - 7.62 percent – base budget increase (excluding one-time adjustments)
        - Union contracts – cost of living increase, steps, and market adjustments
        - Nonunion personnel – implementation of compensation study
        - Additional personnel costs due to leap year
        - SBM Fire increase, including duty crew costs
        - Addition of two patrol officers
        - Inflationary adjustments for supplies, commodities, fuel, and salt
        - Election year
    - 3.84 percent – one-time adjustments
- Personnel budget corrections for underbudgeted costs, including union contracts that were settled in late 2022

- Adjustments to fund City's worker's compensation and property, casualty, and liability insurance premiums
- Enhanced salt material

- 2.03 percent – department requests

- Necessary software and technology additions/enhancements
- Public Safety cameras (Axon)
- Class and compensation update
- All Staff Training
- Parks facilities funds for repairs and maintenance
- Funds for council initiatives
- Enhanced City marketing and engagement
- Dead and diseased tree removals
- Weed control

- 1.03 percent – funds to allow for the potential addition of up to four staff

(see attached slide for list of requested positions)

- 4.59 percent – Debt Service Fund

- Debt levy for transportation projects, technology hardware and software, and capital equipment that was borrowed for in 2023

A one percent levy increase for 2024 equates to $371,120, so to reduce the levy by a percent, the budget must be reduced by that amount.

At the October 30 council workshop, staff presented a list of City levy reduction options and adjustments, property tax information, and alternate funding options for certain items. A target levy was not decided during the workshop; however, council guidance was to continue to look at reductions.

For reference, several slides are attached. The first group of slides are culled from previous presentations and include some of the basic information regarding the initial proposed budget, preliminary tax levy, and possible reductions. Based on ongoing discussions with members of council and previous workshops, a number of slides are being prepared with the goal of providing additional requested information and analysis. They will be attached to this item once completed.

The staff is requesting a general consensus from council on a target levy increase to allow ample time to prepare materials for the December 18 Truth-in-Taxation meeting.

Staff Recommendation

Staff requests Council guidance on:

- A target levy increase
- Levy reduction options

Questions for Council

- What is the target levy increase for 2024?
- Are there any proposed levy reduction options that council does not support?

Attachment List

1. 2024 General Fund Budget Key Slides
2. 2024 General Fund Budget Presentation

2024 General Fund Budget Key Slides

Council Workshop| Finance

11/20/2023

Printed 11/15/2023

Budget Outcomes

Budget Principles

- Financial sustainability
- Cost effective services
- Preserve City infrastructure

Council Goals

- Maintain AAA Credit Rating
- Invest in critical infrastructure
- Deliver exceptional public services

2024 Outcomes

- Address deferred maintenance
- Invest in public safety (SBM duty crew; 2 new officers)
- Financial sustainability (address unfunded costs)
- Address resident complaints (trees, weeds, pond program)
- Invest in equitable pay for staff (Class & Compensation Update)
- Invest in enhanced street maintenance (salt, utility employee additions)

2024 General Fund Initial Budget

Expenditures by Department with Revenues

with preliminary levy included

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	35,963,346	4,251,346	13.4%	37,117,646	5,405,646	17.0%
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 & Forefeitures	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**	**46,409,746**	**4,642,346**	**11.1%**	**47,564,046**	**5,796,646**	**13.9%**
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%
Potential to Add Four Staff	-	-	-	N/A	400,000	400,000	N/A
Expenditure Totals	**41,583,610**	**46,409,746**	**4,826,136**	**11.6%**	**47,564,046**	**5,980,436**	**14.4%**
Net Surplus (Deficit)	**-**	**-**			**-**		

Several revenue sources are decreasing for 2024

Base Budget Includes
Two Police Officers
Victim Services Specialist
SBM Fire (+ Duty Crew)
2024 Elections
Enhanced Salt
Facilities Maint. Costs

2024 Positions Requested

Role	Estimated Wage and Benefit Costs
General	
Forester	$ 130,630
Facilities Manager	$ 146,043
Administration Position TBD/Elections & Record Technician	$ 68,817
Public Service Worker - Streets	$ 86,422
Fleet Manager	$ 123,735
Police Training Officer	$ 157,136
Commercial Building Inspector; if workload indicates need for additional inspection services and revenues will support, a budget amendment will be done in 2024 to allow for contracted inspections	$ 104,861
MAYC Receptionist (0.5 FTE Increase)	$ 32,335
HR Specialist (Benefits)	$ 96,289
Directed Operations Group Sergeant	$ 157,136
GIS Intern	$ 31,771
Total	$ 1,135,175
Utilities	
Public Service Worker – Sewer; included in Sewer budget	$ 86,422
Public Service Worker – Storm; included in Storm budget	$ 86,422
Total	$ 172,844

2024 Preliminary Levy Options

	Option 1	Option 2	Option 3	Preliminary Levy
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 Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY			
PRELIMINARY LEVY **TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.54% (THE MEDIAN INCREASE)** **$7,110,501 or 19.16% Total CITY Levy Increase** **$0 or 0.00% Total EDA Levy Increase**			
Pay Year	**2023**	**Prelim 2024**	**'23 to '24 Change**
Market Value	330,125	338,525	2.54%
Market Value Exclusion	(7,500)	(6,800)	-9.33%
Taxable Market Value	322,625	331,725	2.82%
Tax Capacity	3,226	3,317	
Tax Capacity Rates:			
City	31.800%	34.137%	7.35%
EDA	0.880%	0.755%	-14.20%
Property Taxes:			
City	1,025.87	1,132.32	106.45
EDA	28.39	25.04	(3.35)
Total	1,054.26	1,157.36	$ 103.10
		City	10.38%
		EDA	-11.78%
		Total	9.78%

City Levy

- 19.16% Increase

Property Value

- 2.54% Increase

City Tax Bill

- 10.38% Increase

Based on Preliminary Values provided by Anoka & Ramsey County

Printed 11/15/2023

City Levy Adjustment Options

Adjustment Description	Category	Adjustment	Levy Impact	Levy Increase
Preliminary Levy	Preliminary Levy	-	N/A	19.16%
Safe Margin	Policy	317,120	0.85%	20.01%
October Adjustments	Base Budget	(19,739)	-0.05%	19.96%
Alternate debt funding; closed debt funds to reduce levy	Debt Levy	(500,000)	-1.35%	18.61%
Alternate funding/reduced funding/no funding for department requests for tree removals	Department Requests	(300,000)	-0.81%	17.81%
Alternate funding/reduced funding/no funding for department requests for weed control services	Department Requests	(152,000)	-0.41%	17.40%
Remove - Funds for Council Initiatives	Department Requests	(60,000)	-0.16%	17.23%
Remove - All-Staff Training	Department Requests	(20,000)	-0.05%	17.18%
Remove - Citywide IT Training	Department Requests	(11,000)	-0.03%	17.15%
Remove - Parks and Recreation maintenance funding	Department Requests	(45,000)	-0.12%	17.03%
Remove - Building Inspections contractor funds	Base Budget	(133,000)	-0.36%	16.67%
Option – Remove requests for enhanced salt	Base Budget	(80,000)	-0.22%	16.46%
Option – No new positions (or fewer)	Department Requests	(400,000)	-1.08%	15.38%
Option – Remove request for enhanced marketing (or reduce)	Department Requests	(20,000)	-0.05%	**15.32%**
Total		**(1,423,619)**	**-3.84%**	

Other Funding Options

Strategic Priorities Fund

- $2,200,000 Roughly available for priority projects; requires super majority vote of city council
  - (Note: roughly $2.2m would remain available for recession stabilization)

Options:

- Tree removals (finite project; eventually all ash trees will be removed)
- Weed control services (pilot program to test effectiveness)
- Rationale for use: One time source of money, one time uses or pilot project

2024 General Fund Budget

Council Workshop| Finance

11/20/2023

Agenda

- Background
- 2024 Scenarios
- Alternate Funding Sources
- Next Steps

Background

Section 1 of 4

Budget Outcomes

Budget Principles

- Financial sustainability
- Cost effective services
- Preserve City infrastructure

Council Goals

- Maintain AAA Credit Rating
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2024 Outcomes

- Address deferred maintenance
- Invest in public safety (SBM duty crew; 2 new officers)
- Financial sustainability (address unfunded costs)
- Address resident complaints (trees, weeds, pond program)
- Invest in equitable pay for staff (Class & Compensation Update)
- Invest in enhanced street maintenance (salt, utility employee additions)
- Maintain improved city-wide customer service expectations
- Utilize technology in innovative ways

Driving Forces Behind the Budget

Non-Growth

Commodity Inflation

Wage Competition

Insurance

Deferred Maintenance

Growth

New Assets

Increased Call Volume

Increased Property Values

Slide 5

2024 General Fund Initial Budget

Expenditures by Department with Revenues

with preliminary levy included

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* Many positions were requested for 2024 and the list above includes the initial recommended positions. All positions are subject to available funding, council feedback on priorities, and final review by the city manager.

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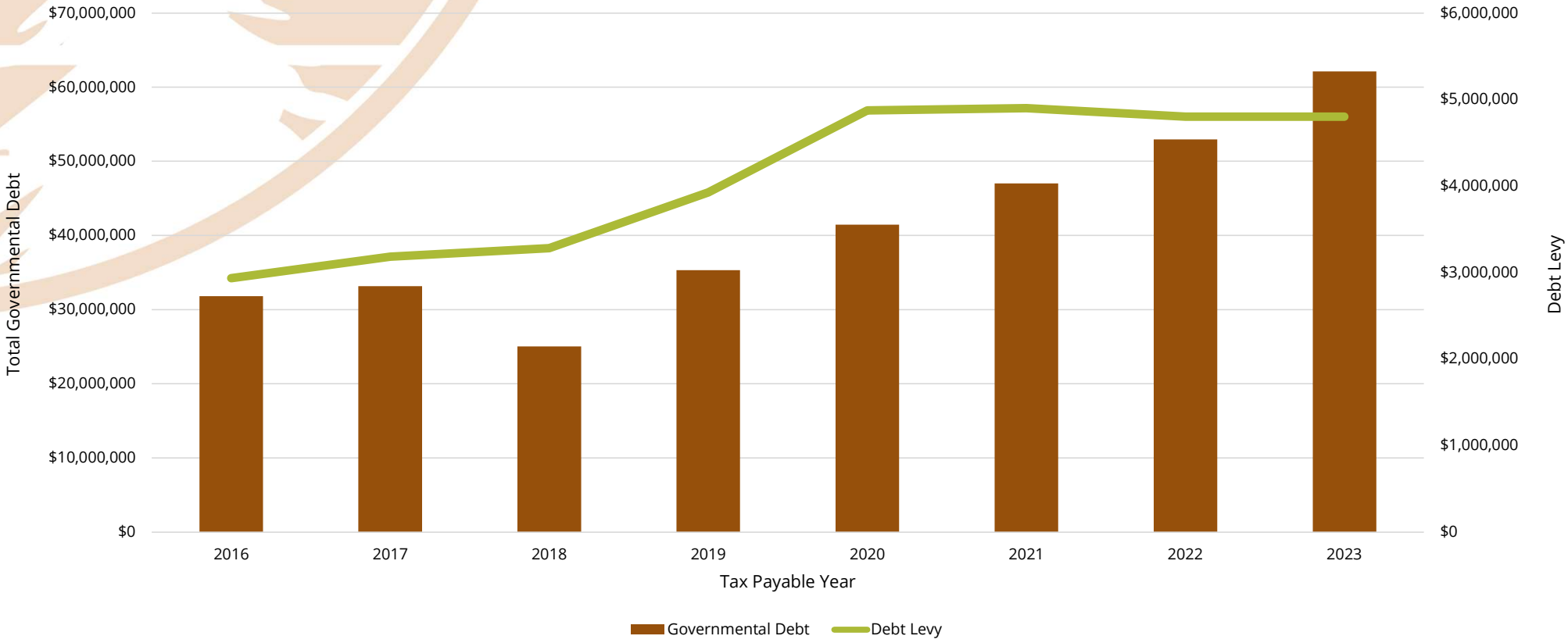
Total City Levy	$41,663,346	$43,317,646	$43,822,501	$44,222,501

Preliminary Levy Components

Levy Components	2023 Final Levy	2024 Preliminary Dept Reqs + $1.7M for Debt + 3 Staff	$ Increase from 2023	% of Levy % Increase
Base Increase		2,827,924	2,827,924	7.62%
One-Time Adjustments		1,423,422	1,423,422	3.84%
Department Requests Increase		754,300	754,300	2.03%
Addition of Staff		400,000	400,000	1.08%
Prior Year Levy	31,712,000	31,712,000	-	0.00%
General Fund	31,712,000	37,117,646	5,405,646	14.57%
PMP	100,000	100,000	-	0.00%
Debt Service	4,800,000	6,504,855	1,704,855	4.59%
Parks and Trails	500,000	500,000	-	0.00%
Non-EDA Levy Total	**$ 37,112,000**	**$ 44,222,501**	**7,110,501**	**19.16%**

Governmental Debt & Annual Debt Levy



2024 Scenarios

Section 2 of 4

Slides include updated information received from Anoka County 11/17/23 and are subject to further changes as new information is received

Draft 2024 Property Taxes on Median Valued House

Pay Year	2023 Final	2023 Taxes Using 2022 Tax Capacity Rate	(1) 2024 19.16% Levy Increase from 2023	(2) 2024 18.21% Levy Increase from 2023	(3) 2024 17.08% Levy Increase from 2023	(4) 2024 15.33% Levy Increase from 2023
Market Value	320,400	320,400	327,400	327,400	327,400	327,400
Market Value Exclusion	(8,400)	(8,400)	(7,800)	(7,800)	(7,800)	(7,800)
Taxable Market Value	312,000	312,000	319,600	319,600	319,600	319,600
Tax Capacity	3,120	3,120	3,196	3,196	3,196	3,196
Tax Capacity Rates:						
City	31.800%	35.113%	34.340%	34.038%	33.679%	33.122%
EDA	0.880%	0.763%	0.759%	0.759%	0.759%	0.759%
Property Taxes:						
City	$ 992	$ 1,096	$ 1,098	$ 1,088	$ 1,076	$ 1,059
EDA	$ 27	$ 24	$ 24	$ 24	$ 24	$ 24
Total	**$ 1,019**	**$ 1,120**	**$ 1,122**	**$ 1,112**	**$ 1,101**	**$ 1,083**

Printed 11/20/2023

Draft 2024 Tax Capacity Rate Calculation

Pay Year	2021 Final	2022 Final	2023 Final	2023 Taxes Using 2022 Tax Capacity Rate	(1) 2024 19.16% Levy Increase from 2023	(2) 2024 18.21% Levy Increase from 2023	(3) 2024 17.08% Levy Increase from 2023	(4) 2024 15.33% Levy Increase from 2023
A. TAXABLE VALUATIONS:								
A3. Values in the City of Blaine	94,061,383	99,163,642	115,300,642	115,300,642	129,583,077	129,583,077	129,583,077	129,583,077
A4. Fiscal Disparity Contribution	(9,609,668)	(11,164,299)	(11,372,946)	(11,372,946)	(10,987,567)	(10,987,567)	(10,987,567)	(10,987,567)
A5. Tax Increment Financing Districts	(829,748)	(850,388)	(1,012,407)	(1,012,407)	(1,838,920)	(1,838,920)	(1,838,920)	(1,838,920)
A6. Values after FD and TIF	83,621,967	87,148,955	102,915,289	102,915,289	116,756,590	116,756,590	116,756,590	116,756,590
A7. Fiscal Disparity Distribution	11,465,077	12,097,905	12,488,843	12,488,843	12,986,102	12,986,102	12,986,102	12,986,102
A8. Value after Fiscal Disparity Sharing	95,087,044	99,246,860	115,404,132	115,404,132	129,742,692	129,742,692	129,742,692	129,742,692
B. TAX DOLLARS								
B1. Fiscal Disparity Adjustment	4,109,313	4,249,994	4,385,207	4,385,207	4,129,557	4,129,557	4,129,557	4,129,557
B2. Blaine Taxpayer Levy	29,375,687	30,600,006	32,726,793	36,135,793	40,092,944	39,740,325	39,320,825	38,670,825
B3. Total Tax Levy	**33,485,000**	**34,850,000**	**37,112,000**	**40,521,000**	**44,222,501**	**43,869,882**	**43,450,382**	**42,800,382**
B4. Levy Change From Prior Year ($)	2,260,000	1,365,000	2,262,000	5,671,000	7,110,501	6,757,882	6,338,382	5,688,382
B5. Levy Change From Prior Year (%)	6.75%	4.08%	6.49%	16.27%	19.16%	18.21%	17.08%	15.33%
C. TAX RATES								
C1. Fiscal Disparity Adjustment (B1/A7)	35.842%	35.130%	35.113%	35.113%	31.800%	31.800%	31.800%	31.800%
C2. Blaine Tax Capacity Levy (B2/A6)	**35.130%**	**35.113%**	**31.800%**	**35.113%**	**34.340%**	**34.038%**	**33.679%**	**33.122%**
C3. Blaine Tax Capacity Change from Prior Year (%)	-8.024%	-0.048%	-9.435%	0.000%	7.987%	7.038%	5.909%	4.157%

Printed 11/20/2023

Slide 13

City Levy Adjustment Options

Adjustment Description	Category	Adjustment	Levy Impact	Levy Increase	Scenario	Levy
Preliminary Levy	Preliminary Levy	-	N/A	19.16%	Scenario 1	44,222,501
Safe Margin	Policy	317,120	0.85%	20.01%		44,539,621
October Adjustments	Base Budget	(19,739)	-0.05%	19.96%		44,519,882
Alternate funding/reduced funding/no funding for department requests for tree removals	Department Requests	(300,000)	-0.81%	19.15%		44,219,882
Alternate funding/reduced funding/no funding for department requests for weed control services	Department Requests	(152,000)	-0.41%	18.74%		44,067,882
Remove - Building Inspections contractor funds	Base Budget	(133,000)	-0.36%	18.38%		43,934,882
Remove - Parks and Recreation maintenance funding	Department Requests	(45,000)	-0.12%	18.26%		43,889,882
Remove - All-Staff Training	Department Requests	(20,000)	-0.05%	18.21%	Scenario 2	43,869,882
Remove - Citywide IT Training	Department Requests	(11,000)	-0.03%	18.18%		43,858,882
Remove - Funds for Council Initiatives	Department Requests	(60,000)	-0.16%	18.02%		43,798,882
Option – Remove request for enhanced marketing (or reduce)	Department Requests	(18,500)	-0.05%	17.97%		43,780,382
Option – Remove requests for enhanced salt	Base Budget	(80,000)	-0.22%	17.75%		43,700,382
Option - Remove some of the new positions #1	Department Requests	(100,000)	-0.27%	17.48%		43,600,382
Option - Remove some of the new positions #2	Department Requests	(150,000)	-0.40%	17.08%	Scenario 3	43,450,382
Option - Remove some of the new positions #3	Department Requests	(150,000)	-0.40%	16.67%		43,300,382
Alternate debt funding; closed debt funds to reduce levy	Debt Levy	(500,000)	-1.35%	15.33%	Scenario 4	42,800,382
				15.33%		
Total		**(1,422,119)**	**-3.83%**			

Preliminary Levy Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY			
(1) PRELIMINARY LEVY TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.18% (THE MEDIAN INCREASE) $7,110,501 or 19.16% Total CITY Levy Increase $0 or 0.00% Total EDA Levy Increase			
Pay Year	**2023**	**Scenario 1 - 2024**	**'23 to '24 Change**
Market Value	320,400	327,400	2.18%
Market Value Exclusion	(8,400)	(7,800)	-7.14%
Taxable Market Value	312,000	319,600	2.44%
Tax Capacity	3,120	3,196	
Tax Capacity Rates:			
City	31.800%	34.340%	7.99%
EDA	0.880%	0.759%	-13.75%
Property Taxes:			
City	992.16	1,097.51	105.35
EDA	27.46	24.26	(3.20)
Total	1,019.62	1,121.77	$ 102.15
		City	10.62%
		EDA	-11.65%
		Total	10.02%

Based on Preliminary Values provided by Anoka & Ramsey County

City Levy

- 19.16% Increase

Property Value

- 2.18% Increase

City Tax Bill

- 10.62% Increase

Printed 11/20/2023

Scenario 2 – Levy Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY				
(2) TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.18% (THE MEDIAN INCREASE) $6,757,882 or 18.21% Total CITY Levy Increase $0 or 0.00% Total EDA Levy Increase				
Pay Year	**2023**	**Scenario 2 - 2024**		**'23 to '24 Change**
Market Value	320,400	327,400		2.18%
Market Value Exclusion	(8,400)	(7,800)		-7.14%
Taxable Market Value	312,000	319,600		2.44%
Tax Capacity	3,120	3,196		
Tax Capacity Rates:				
City	31.800%	34.038%		7.04%
EDA	0.880%	0.759%		-13.75%
Property Taxes:				
City	992.16	1,087.85		95.69
EDA	27.46	24.26		(3.20)
Total	1,019.62	1,112.11	$	92.49
		City		9.64%
		EDA		-11.65%
		Total		9.07%

Based on Preliminary Values provided by Anoka & Ramsey County

City Levy

- 18.21% Increase

Property Value

- 2.18% Increase

City Tax Bill

- 9.64% Increase

Printed 11/20/2023

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Scenario 3 – Levy Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY				
(3) TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.18% (THE MEDIAN INCREASE) $6,338,382 or 17.08% Total CITY Levy Increase $0 or 0.00% Total EDA Levy Increase				
Pay Year	**2023**	**Scenario 3 - 2024**		**'23 to '24 Change**
Market Value	320,400	327,400		2.18%
Market Value Exclusion	(8,400)	(7,800)		-7.14%
Taxable Market Value	312,000	319,600		2.44%
Tax Capacity	3,120	3,196		
Tax Capacity Rates:				
City	31.800%	33.679%		5.91%
EDA	0.880%	0.759%		-13.75%
Property Taxes:				
City	992.16	1,076.38		84.22
EDA	27.46	24.26		(3.20)
Total	1,019.62	1,100.64	$	81.02
		City		8.49%
		EDA		-11.65%
		Total		7.95%

City Levy

- 17.08% Increase

Property Value

- 2.18% Increase

City Tax Bill

- 8.49% Increase

Based on Preliminary Values provided by Anoka & Ramsey County

Printed 11/20/2023

Scenario 4 – Levy Impact on City/EDA Taxes

CITY OF BLAINE EST. PROPERTY TAXES - PAYABLE 2024 CITY/EDA PORTION OF TAXES ONLY				
(4) TAX IMPACT FOR SINGLE FAMILY HOME WITH VALUE INCREASING 2.18% (THE MEDIAN INCREASE) $5,688,382 or 15.33% Total CITY Levy Increase $0 or 0.00% Total EDA Levy Increase				
Pay Year	**2023**	**Scenario 4 - 2024**		**'23 to '24 Change**
Market Value	320,400	327,400		2.18%
Market Value Exclusion	(8,400)	(7,800)		-7.14%
Taxable Market Value	312,000	319,600		2.44%
Tax Capacity	3,120	3,196		
Tax Capacity Rates:				
City	31.800%	33.122%		4.16%
EDA	0.880%	0.759%		-13.75%
Property Taxes:				
City	992.16	1,058.58		66.42
EDA	27.46	24.26		(3.20)
Total	1,019.62	1,082.84	$	63.22
		City		6.69%
		EDA		-11.65%
		Total		6.20%

City Levy

- 15.33% Increase

Property Value

- 2.18% Increase

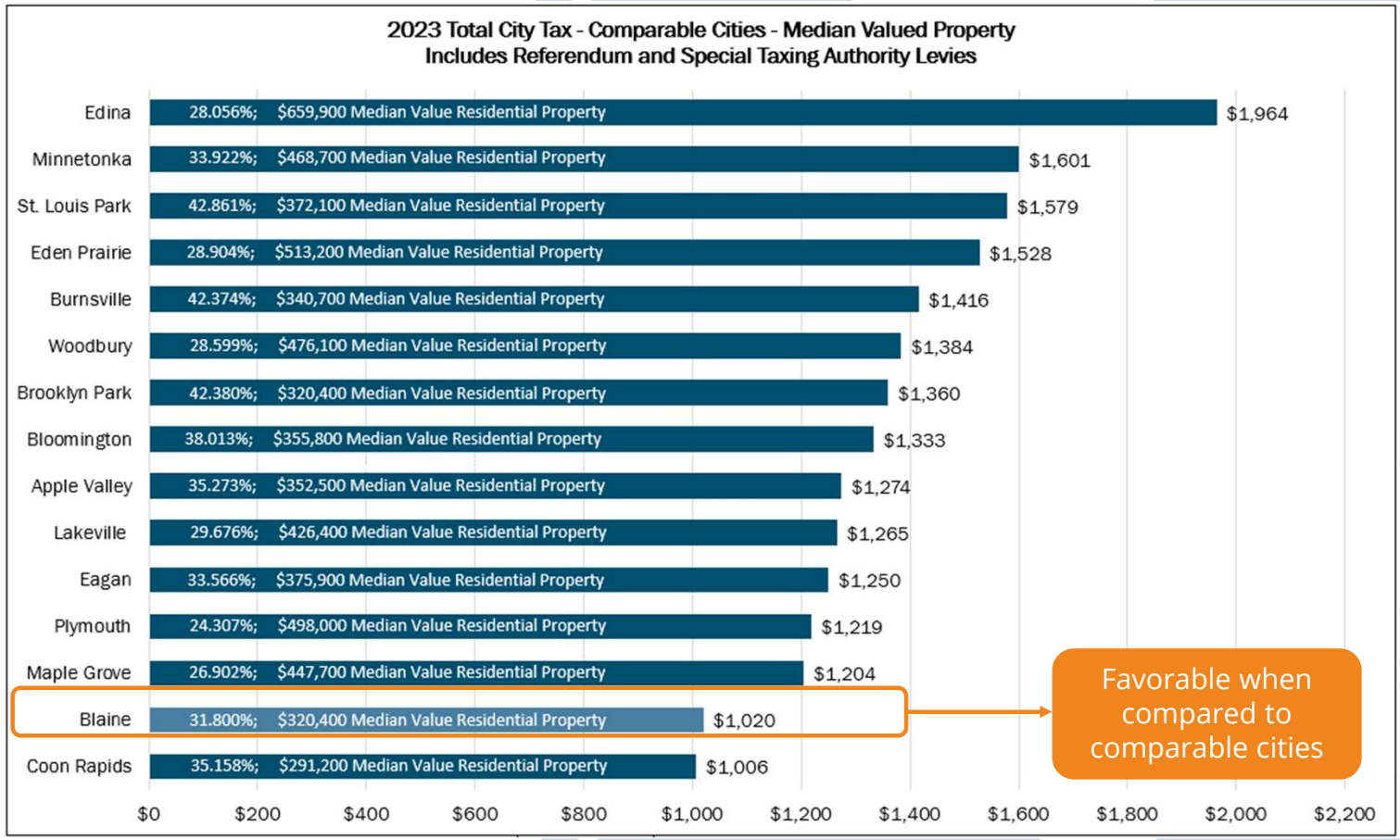
City Tax Bill

- 6.69% Increase

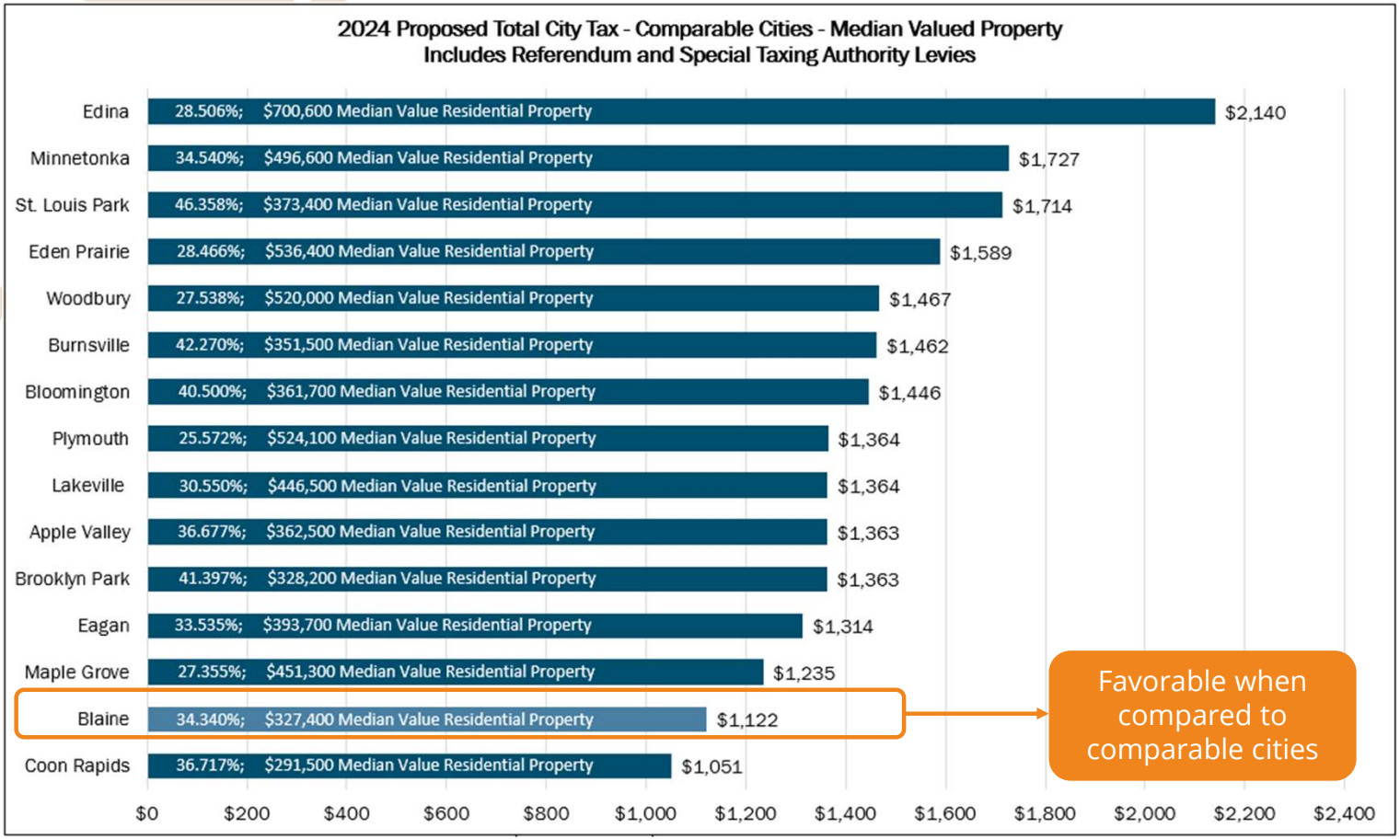
Based on Preliminary Values provided by Anoka & Ramsey County

Printed 11/20/2023

Pay 2023 Taxes – Comparable Cities



Proposed Pay 2024 Taxes – Comparable Cities



Printed 11/20/2023

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Alternate Funding Sources

Section 3 of 4

Alternate Revenue Sources – Comparable Cities

City	Local Option Sales Tax	Electric Franchise Fee Residential	Gas Franchise Fee Residential	Municipal Liquor Transfers
Apple Valley	-	2.00%	-	$850,000
Blaine	-	-	-	-
Bloomington	0.50%	$5.95	$5.95	-
Brooklyn Park	-	$7.00	$7.00	-
Burnsville	-	$4.00	$4.00	-
Coon Rapids	-	4.00%	4.00%	-
Eagan	-	$1.85	$1.85	-
Eden Prairie	-	$6.50	$4.00	$800,000
Edina	0.50%	$2.90	$2.90	$1,000,000
Lakeville	-	-	-	$1,295,451
Maple Grove	0.50%	-	-	-
Minnetonka	-	$4.50	$4.50	-
Plymouth	-	$2.52	$2.52	-
St. Louis Park	-	$6.75	$6.75	-
Woodbury	-	$3.25	$1.75	-

Other Funding Options

Strategic Priorities Fund

- $2,200,000 Roughly available for priority projects; requires super majority vote of city council
  - (Note: roughly $2.2m would remain available for recession stabilization)

Options:

- Tree removals (finite project; eventually all ash trees will be removed)
- Weed control services (pilot program to test effectiveness)
- Rationale for use: One time source of money, one time uses or pilot project

Additional Revenue Option

Liquor Licenses

- Currently have 30 on-sale liquor licenses that cost $5,800 each

City could increase fees to generate additional revenue for 2024

- Increase fee by $1,000 to $6,800 = $30,000
- Increase fee by $1,500 to $7,300 = $45,000
- Increase fee by $2,000 to $7,800 = $60,000 (at average/median of other cities)
- Increase fee by $2,500 to $8,300 = $75,000 (slightly above average/median of other cities)
- Increase fee by $3,000 to $8,800 = $90,000 (significantly above average/median of other cities)

Next Steps

Section 4 of 4

Questions and Notes for Council

- What is the target levy increase for 2024?
- Are there any proposed levy reduction options that council does not support?

Next Steps:

- December 18 - Truth in Taxation
- December 18 – Budget Adoption

City of Blaine
Staff Report

File Number: 2023-582

Agenda Date	Status
November 20, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Jenna Trittin, Finance Analyst

Agenda Item # 2.2

2024 Charitable Gambling Fund Budget

Background

The 2024 Charitable Gambling Fund budget was presented to the council at the September 25 workshop. At the workshop, the council directed staff to:

- Base allowable annual allocations of charitable gambling proceeds on the amount received in the last full fiscal year ($215,265 for 2024)
- Create and distribute a form for requesting organizations to submit
- Create and distribute a councilmember scoring sheet to allocate funding
- Average the scoring sheet amounts from all councilmembers
- Require that for an organization to receive funding, at least 3 councilmembers must allocate funding on their score sheets

In October, staff developed and distributed a form to organizations who received or requested funding in the last year. The City Council received 21 applications for charitable gambling funds with $331,500 in requests.The budgeted amount to award is $215,265.

Councilmembers were provided with the submitted forms, supplemental information, historical funding, and a scoring sheet in early November. Councilmembers returned the completed scoring sheets to staff by November 13. A document is attached that shows the returned scoring allocations and the average award which is the average of the allocations rounded to the nearest $10 (nonweighted).

The council recommended funding for each organization will be what is brought forward for the 2024 Charitable Gambling Fund budget for adoption on December 18.

The fund background is included below for reference.

Fund Background

The City's Charitable Gambling Fund was established in 1993 to account for the proceeds of a ten percent (10%) contribution that charitable gambling organizations operating within Blaine are required to submit to the city (Code Section 22-384). Organizations participating in charitable gambling as of 2022 are:

- Blaine Festival Committee

- Blaine Youth Hockey
- Centennial HS Football Boosters
- Spring Lake Park Lions Club
- Spring Lake Park #16 Youth Hockey
- VFW - Sgt. John Rice

Historically, council has allocated funds to organizations using previously requested amounts and consideration of new applicants. After reviewing how other cities manage their charitable gambling program, staff recommended council adopt a policy to guide how funds are allocated and that staff develop an application to standardize the request process for the 2024 award process.

Expenditures
Expenditures from this fund are at the city council's discretion, provided that they fall within the guidelines established by Minnesota Statute 349.12 subdivision 25. Specifically allowable contributions include donations to:

- 501(c)(3) organizations; and 501(c)(4) festival organizations
- Relieve the effects of poverty, homelessness, or physical or mental disabilities
- Treatment of post-traumatic-stress syndrome or compulsive gambling
- Public or private accredited nonprofit educational institution
- Scholarship funds
- Recognition of humanitarian or military service
- Activities and facilities that benefit youth under the age of 21
- Support police, fire, or other public safety-related services, equipment, and training
- Wildlife management projects
- Maintenance of snowmobile and/or ATV trails
- Support nutritional and congregate dining programs, and food shelves
- Community arts programs

Annually, an expenditure report is submitted to the State of Minnesota, disclosing the recipients of funds along with the amount and purpose.

Staff Recommendation

Staff recommends that council review and provide a recommendation on the award amounts below. The maximum amount that may be allocated for 2024 is $215,265.

Organization	Amount Requested	Average Award**
Alexandra House	75,000	58,570
Beyond the Yellow Ribbon	2,500	2,140
Blaine High School Senior All Night Party	5,000	1,000
Centennial Community food shelf	3,000	1,930
Centennial High School Senior Party	1,000	640
Civil Air Patrol	7,500	3,390

Family Promise in Anoka County	12,000	8,860
Hope 4 Youth	15,000	10,210
Hope for the Community food shelf	20,000	13,610
Minnesota 100 Club	5,000	2,500
Salvation Army food shelf	10,000	8,430
SBM Fire - Annual fireworks show	40,000	34,290
Spring Lake Park High School Senior Party*	-	640
Stepping Stone	12,000	7,140
Way of the Lord food shelf	12,000	10,860
Blaine High School Robotics	6,000	2,070
Crime Stoppers of Minnesota	1,000	360
Impact Services Meals on Wheels & More	10,000	5,710
Jam Hope Foundation	15,000	4,790
Ronnie's Fight for CDH	500	210
Spring Lake Park Band Boosters	4,000	1,500
Veterans Memorial Park of Blaine	75,000	21,180
Total	**$331,500**	**$200,030**

* No form returned from this organization; leaving council the option to allocate funding as organization was funded in the past
** Average award is the average of the councilmember allocations rounded to the nearest $10 (completed scoring sheet is attached)

Questions for Council

Does council support the presented 2024 charitable gambling average award amounts?

Attachment List

1. Results - 2024 Charitable Gambling Funds Score Sheet
2. 2024 Charitable Gambling Budget Presentation

2024 Charitable Gambling Funds Score Sheet

	Organization	Amount Requested	Councilmember 1	Councilmember 2	Councilmember 3	Councilmember 4	Councilmember 5	Councilmember 6	Councilmember 7	Average Award**
Prior Year Requests	Alexandra House	$ 75,000	$60,000	$ 25,000	$ 50,000	$ 75,000	$ 50,000	$ 50,000	$ 100,000	$ 58,570
	Beyond the Yellow Ribbon	2,500	$2,500	2,500	2,500	2,500	2,500	2,500	-	2,140
	Blaine High School Senior All Night Party	5,000	$750	-	750	2,500	1,000	2,000	-	1,000
	Centennial Community food shelf	3,000	$3,000	-	3,000	1,500	3,000	3,000	-	1,930
	Centennial High School Senior Party	1,000	$750	-	750	1,000	1,000	1,000	-	640
	Civil Air Patrol	7,500	$2,500	-	2,500	3,750	7,500	7,500	-	3,390
	Family Promise in Anoka County	12,000	$10,000	12,000	10,000	6,000	12,000	12,000	-	8,860
	Hope 4 Youth	15,000	$12,000	15,000	10,000	7,500	12,000	15,000	-	10,210
	Hope for the Community food shelf	20,000	$20,000	-	22,000	10,000	12,000	16,000	15,265	13,610
	Minnesota 100 Club	5,000	$2,500	-	2,500	2,500	5,000	5,000	-	2,500
	Salvation Army food shelf	10,000	$10,000	-	22,000	5,000	12,000	10,000	-	8,430
	SBM Fire - Annual fireworks show	40,000	$40,000	40,000	40,000	40,000	40,000	40,000	-	34,290
	Spring Lake Park High School Senior Party*	-	$750	-	750	1,000	1,000	1,000	-	640
	Stepping Stone	12,000	$10,000	-	10,000	6,000	12,000	12,000	-	7,140
	Way of the Lord food shelf	12,000	$12,000	12,000	22,000	6,000	12,000	12,000	-	10,860
New Requests	Blaine High School Robotics	6,000	$750	6,000	750	3,000	1,000	3,000	-	2,070
	Crime Stoppers of Minnesota	1,000	$0	1,000	-	500	-	1,000	-	360
	Impact Services Meals on Wheels & More	10,000	$3,000	10,000	-	5,000	12,000	10,000	-	5,710
	Jam Hope Foundation	15,000	$0	15,000	-	7,500	1,000	10,000	-	4,790
	Ronnie's Fight for CDH	500	$500	-	-	500	-	500	-	210
	Spring Lake Park Band Boosters	4,000	$750	4,000	750	2,000	1,000	2,000	-	1,500
	Veterans Memorial Park of Blaine	75,000	$23,250	25,000	-	-	-	-	100,000	21,180
	Total	**$331,500**	**$215,000**	**$167,500**	**$200,250**	**$188,750**	**$198,000**	**$215,500**	**$215,265**	**$200,030**
	Remaining to allocate		**$265**	**$47,765**	**$15,015**	**$26,515**	**$17,265**	**-$235**	**$0**	**$15,235**

$215,265 is available to allocate among the organizations.

* No form returned; leaving Council the option to allocate funding as organization(s) were funded in the past

** The average award is the average of the councilmember allocations rounded to the nearest $10 (nonweighted)
Organizations must receive allocations from at least 3 councilmembers to be considered for funding.

2024 Charitable Gambling Fund Budget

Council Workshop| Finance

11/20/2023

Agenda

- Fund Background
- 2024 Process and Results
- Next Steps

Fund Background

Section 1 of 3

Charitable Gambling Fund Overview

Purpose

- To account for the proceeds of the 10% Charitable Gambling contribution

Background

- Fund created in 1993
- Funding Sources: 10% Charitable Gambling
- Expenses: Allocations to eligible organizations per state statute
- Historical Process
  - Organizations submitted letters requesting funding
  - Council funded organizations based on:
    - Prior year allocation
    - Consideration of new requests

Contributing Organizations (2022)

- Blaine Festival Committee
- Blaine Youth Hockey
- Centennial HS Football Boosters
- Spring Lake Park Lions Club
- Spring Lake Park #16 Youth Hockey
- VFW - Sgt. John Rice

Eligible Uses (State Statute Section 349.12 subd. 25)

- To a 501(c)(3) organization or a 501(c)(4) festival organization.
- To relieve effects of poverty, homelessness, or disability.
- Program for education, prevention, or treatment of problem gambling.
- To a public or private nonprofit school.
- To a scholarship fund.
- For recognition of military service (open to the public) or support for active military personnel and their immediate family members in need.
- Activities and facilities for youth.
- Expenditures for police, fire, and other emergency or public safety-related services, equipment, and training. Not allowed: Contribution to pension or retirement fund.
- To a church.
- With Minnesota Pollution Control Agency (PCA) approval, citizen monitoring of surface water quality by individuals. Requires submission of data to PCA.
- With DNR approval, wildlife management projects or activities that benefit the public-at-large; grooming or maintaining snowmobile or all-terrain vehicle trails, or other trails open to public use; supplies and materials for DNR-coordinated safety training and education programs.
- For nutritional programs, food shelves, and congregate dining programs primarily for persons age 62 or older or disabled.
- For community arts organizations, or sponsorship of community arts programs.
- For humanitarian service, recognizing volunteerism or philanthropy.

2024 Process and Results

Section 2 of 3

2024 Process

September 25

- The 2024 Charitable Gambling Fund budget was presented to the council at the September 25 workshop. At the workshop, the council directed staff to:
- Base allowable annual allocations of charitable gambling proceeds on the amount received in the last full fiscal year ($215,265 for 2024)
- Create and distribute a form for requesting organizations to submit
- Create and distribute a councilmember scoring sheet to allocate funding
- Average the scoring sheet amounts from all councilmembers
- Require that for an organization to receive funding, at least 3 councilmembers must allocate funding on their score sheets

October

- Staff developed and distributed a form to organizations who received or requested funding in the last year.

The City Council received 21 applications for charitable gambling funds with $331,500 in requests

- The budgeted amount to award is $215,265.

November

- Councilmembers were provided with the submitted forms, supplemental information, historical funding, and a scoring sheet in early November and returned completed scoring sheets to staff by November 13.
- Staff prepared a list that shows the returned scoring allocations and the average award which is the average of the allocations rounded to the nearest $10 (nonweighted).

2024 Charitable Gambling Funds Score Sheet

	Organization	Amount Requested	Councilmember 1	Councilmember 2	Councilmember 3	Councilmember 4	Councilmember 5	Councilmember 6	Councilmember 7	Average Award**
Prior Year Requests	Alexandra House	$ 75,000	$60,000	$ 25,000	$ 50,000	$ 75,000	$ 50,000	$ 50,000	$ 100,000	$ 58,570
	Beyond the Yellow Ribbon	2,500	$2,500	2,500	2,500	2,500	2,500	2,500	-	2,140
	Blaine High School Senior All Night Party	5,000	$750	-	750	2,500	1,000	2,000	-	1,000
	Centennial Community food shelf	3,000	$3,000	-	3,000	1,500	3,000	3,000	-	1,930
	Centennial High School Senior Party	1,000	$750	-	750	1,000	1,000	1,000	-	640
	Civil Air Patrol	7,500	$2,500	-	2,500	3,750	7,500	7,500	-	3,390
	Family Promise in Anoka County	12,000	$10,000	12,000	10,000	6,000	12,000	12,000	-	8,860
	Hope 4 Youth	15,000	$12,000	15,000	10,000	7,500	12,000	15,000	-	10,210
	Hope for the Community food shelf	20,000	$20,000	-	22,000	10,000	12,000	16,000	15,265	13,610
	Minnesota 100 Club	5,000	$2,500	-	2,500	2,500	5,000	5,000	-	2,500
	Salvation Army food shelf	10,000	$10,000	-	22,000	5,000	12,000	10,000	-	8,430
	SBM Fire - Annual fireworks show	40,000	$40,000	40,000	40,000	40,000	40,000	40,000	-	34,290
	Spring Lake Park High School Senior Party*	-	$750	-	750	1,000	1,000	1,000	-	640
	Stepping Stone	12,000	$10,000	-	10,000	6,000	12,000	12,000	-	7,140
	Way of the Lord food shelf	12,000	$12,000	12,000	22,000	6,000	12,000	12,000	-	10,860
New Requests	Blaine High School Robotics	6,000	$750	6,000	750	3,000	1,000	3,000	-	2,070
	Crime Stoppers of Minnesota	1,000	$0	1,000	-	500	-	1,000	-	360
	Impact Services Meals on Wheels & More	10,000	$3,000	10,000	-	5,000	12,000	10,000	-	5,710
	Jam Hope Foundation	15,000	$0	15,000	-	7,500	1,000	10,000	-	4,790
	Ronnie's Fight for CDH	500	$500	-	-	500	-	500	-	210
	Spring Lake Park Band Boosters	4,000	$750	4,000	750	2,000	1,000	2,000	-	1,500
	Veterans Memorial Park of Blaine	75,000	$23,250	25,000	-	-	-	-	100,000	21,180
	Total	**$331,500**	**$215,000**	**$167,500**	**$200,250**	**$188,750**	**$198,000**	**$215,500**	**$215,265**	**$200,030**
	Remaining to allocate		**$265**	**$47,765**	**$15,015**	**$26,515**	**$17,265**	**-$235**	**$0**	**$15,235**

$215,265 is available to allocate among the organizations.

* No form returned; leaving Council the option to allocate funding as organization(s) were funded in the past

** The average award is the average of the councilmember allocations rounded to the nearest $10 (nonweighted)
Organizations must receive allocations from at least 3 councilmembers to be considered for funding.

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Next Steps

Section 3 of 3

Questions and Notes for Council

Discuss and provide direction on council recommended award amounts.

Options include:

- Presented average award amounts
- Mix of average award amounts and council specified amounts
- Alternate funding

Next Steps:

- Councilmember recommended awards will become the 2024 expenditure budget
- December 18 – Budget Adoption

City of Blaine
Staff Report

File Number: 2023-571

Agenda Date	Status
November 20, 2023	
In Control	**File Type**
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 2.3

Closed Session Pursuant to MN Statute 13D.05(3)(c)(3) - Discuss Purchase of 10550 Radisson Road

Background

Staff Recommendation

Staff will provide an update on the purchase of 10550 Radisson Road.

Questions for Council

Attachment List

None