City of Blaine
City Council Workshop

May 13, 2024 | 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. Roll Call

3. New Business

3.1. 2024-163 Closed Session Pursuant to Minnesota Statute 13D.05, Subd. 3(a) - City Manager Performance Review
Sponsors: City Council

3.2. 2024-158 Council Requested Items for Discussion
Sponsors: Michelle Wolfe, City Manager

3.3. 2024-148 105th Redevelopment Project Financing Discussion
Sponsors: Erik Thorvig, Community Development Director

3.4. 2024-157 Well Interference Updates
Sponsors: Nick Fleischhacker, Public Works Director

3.5. 2024-120 Licensing Discussion - Off-Sale Intoxicating and Tobacco
Sponsors: Cathy Sorensen, City Clerk

3.6. 2024-153 General Fund - Fund Balance
Sponsors: Jason Zimmerman, Finance Director

4. Other Business

5. Adjournment

City of Blaine
Staff Report

File Number: 2024-163

Agenda Date	Status
May 13, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - City Council

Agenda Item # 3.1

Closed Session Pursuant to Minnesota Statute 13D.05, Subd. 3(a) - City Manager Performance Review

Background

City Council will continue their annual performance evaluation for City Manager Wolfe.

Staff Recommendation

Questions for Council

Attachment List

None

City of Blaine
Staff Report

File Number: 2024-158

Agenda Date	Status
May 13, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Michelle Wolfe, City Manager

Agenda Item # 3.2

Council Requested Items for Discussion

Background

Request From Councilmember Larson:
Councilmember Larson has submitted a request to discuss solar panels with ground mount in farm residential zoning districts. There has been a resident request for a ground mount solar panel on farm residential property. Council recently discussed various farm residential allowances at workshops and this request is similar in nature to the other items.

Urgency Level
Medium – within the next 2-3 workshops

Staff Recommendation

Per policy, this discussion will be limited to whether or not the council wishes to direct staff to prepare a future workshop agenda item for council discussion. Staff can answer questions about the nature of the work and timeline during the workshop.

Questions for Council

Is there council consensus to place this topic on a future workshop agenda?

Attachment List

None

City of Blaine
Staff Report

File Number: 2024-148

Agenda Date	Status
May 13, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.3

105th Redevelopment Project Financing Discussion

Background

The City Council has discussed various financing components for the 105th Redevelopment Project at workshops over the last year. The financing discussions have been related to turf field, event stadium and infrastructure financing.

On May 6, 2024, the City Council approved a bond sale for the turf field project. This action finalized the turf field financing deal. Further discussion is necessary for the event stadium and infrastructure financing.

Event Stadium

The concept of an event stadium has been discussed since last spring. The stadium cost is estimated at $40MM. The stadium would be privately owned and operated by various parties related to the development and proposed baseball team. Recent discussions with the developer have revolved around the City issuing a $34+MM bond to finance a portion of construction of the event stadium. Other funding sources would include private equity and bank financing. The debt payment structure proposed would be a lease payment model where the developer would be responsible for paying an annual payment to the City to cover the debt service. This is a similar model used for CHS Field in St. Paul.

Initially, a revenue sharing model was discussed where percentages of revenue from the baseball and stadium operations would be shared with the City to cover debt service. The lease revenue model is a simplified approach and provides a variety of revenue sources for the developer to provide the annual lease payments. The original revenue sharing model would have solely relied on event stadium/baseball operations to cover the debt service. More information will be provided at the meeting on the financing structure and stadium/development ownership relationship.

The primary goal of the lease payment structure is for the developer to cover the debt service and have no general fund tax dollars used to pay for the stadium. The anticipated financing structure for the stadium financing would be General Obligation Tax Abatement Bonds with annual lease payments pledged to the City and would cancel the annual abatement levy. Though tax abatement bonds would be used, this is unlike the turf field financing where tax abatement revenue was used to pay the debt service, but instead, the debt service would be paid by the developer through annual payments. The City would be seeking security through business and personal guarantees. These arrangements will be memorialized in future agreements considered by the City Council.

The developer is in the process of preparing architectural plans and anticipates applying for a conditional use permit for the stadium which will be considered by the City Council this summer. They are also preparing construction plans in order to submit a building permit for construction to begin in late 2024. The developer is seeking guidance from the City Council on the willingness to provide financing. A resolution could be considered at the May 20, 2024, meeting which identifies the willingness of the City Council to provide financing if certain terms and conditions are met by both the City and the developer. This gives the developer and staff guidance to continue to work through the financing model prior to consideration of formal actions by the City Council that would occur in late 2024/early 2025. These actions would include establishing tax abatement and selling bonds.

Infrastructure/Demolition Financing

The developer has expressed a desire to complete all project infrastructure (roads, utilities, stormwater) and building demolition as part of Phase 1, beginning in 2024. Completing the infrastructure in Phase 1 accomplishes several things including getting all necessary road/utility improvements in place early in the project and creating development ready sites for later phases of the project. Completing all building demolition in Phase 1 would remove the existing buildings currently owned by the EDA. All this activity would show significant progress for the project in addition to the private development that would occur in Phase 1 (food hall, event stadium and field house).

The developer has identified approximately $18.5MM in infrastructure costs and approximately $700,000 in demolition costs. These costs are eligible Tax Increment Financing (TIF) expenditures and it is not uncommon for these types of improvements to be funded by TIF for a redevelopment project. It has always been assumed that a redevelopment TIF district would be created for this project to fund various eligible expenditures. The TIF district would encompass any parts of the redevelopment project that are not included in the tax abatement area. This would generally include the east portion of the project (housing, professional office).

Baker Tilly is completing an analysis of the potential TIF generation of the east portion of the project based on the concept plan. It’s anticipated the TIF district may generate sufficient TIF dollars to support the infrastructure and demolition costs. It is expected that any additional TIF revenue would be available for other eligible expenditures and would be negotiated as to what is available for the project. This could be an additional funding source to complete property acquisition in the district.

There are two options to finance improvements with TIF. The first option is to issue a bond to fund the improvements at the beginning of the project, and TIF revenues over the term of the district repay the debt. The other option is called pay-as-you go, in which the developer finances the improvements via private financing, and TIF revenues over the term of the district cover the debt incurred by the developer.

Baker Tilly, city staff and the developer are currently analyzing the TIF structure to determine whether this is the appropriate funding mechanism for infrastructure and demolition. The structure of land take down, including timing and method for identifying sale proceeds per lot, are also in the process of being developed to understand the feasibility of the redevelopment site and the availability of TIF and other potential funding sources as a means to finance the identified redevelopment costs, including demolition and infrastructure improvements. Additional discussions will occur with the City Council regarding this structure.

Staff Recommendation

Discuss the topic and provide feedback.

Questions for Council

1. Is the City Council comfortable with a resolution being considered at the May 20, 2024, city council meeting identifying the city's support of financing the event stadium based on certain terms and conditions being met?
2. Should city staff, Baker Tilly and developer continue to analyze a financing mechanism for public improvements and demolition to occur during Phase 1 of the project (2024/2025)?

Attachment List

None

City of Blaine
Staff Report

File Number: 2024-157

Agenda Date	Status
May 13, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Nick Fleischhacker, Public Works Director

Agenda Item # 3.4

Well Interference Updates

Background

Staff has been working with private well interference claims submitted to the DNR. These claims were submitted to the DNR by private well owners in response to statewide drought conditions over the past several years. Many of these claims were attributed to the recently developed wellfield in the northeast quadrant of the City. After analysis by the DNR's technical team, it was found that many of the City's existing wellfields may also be contributing to lowered groundwater levels. These lowered groundwater levels may have impacted private well owners and, by state statute, are eligible for compensation.

Staff has been evaluating each of these complaints to ensure their validity. Any complaints received by the DNR that the City does not agree to pay are sent to the DNR's technical team for final evaluation.

The majority of claims have either been addressed, or have been turned over for final evaluation by the DNR.

The DNR, City of Blaine staff, and consultant engineers have been engaged to start the process of evaluating the City of Blaine's existing wellfield to ensure further well interference does not take place and that the City can operate its wellfield for its customers. This process will include having a small technical team engage the DNR to work through the well appropriations process. Staff hopes this small team can expedite the process, ensure impacts to surrounding wells are minimized, and that water utility customers have the highest quality water possible.

As this process will not have a resolution for the summer of 2024, efforts relating to sprinkling enforcement will start immediately in the spring and continue throughout the summer.

Other miscellaneous water updates will be provided during this workshop time.

Staff Recommendation

Questions for Council

Attachment List

None

City of Blaine
Staff Report

File Number: 2024-120

Agenda Date	Status
May 13, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business -

Agenda Item # 3.5

Licensing Discussion - Off-Sale Intoxicating and Tobacco

Background

Council had requested an opportunity to discuss current licensing for off-sale intoxicating liquor and tobacco licenses in order to explore whether amendments with regard to the number and locations of both license types are warranted. To begin the discussion, below is a summary of each license type based on city code and statute, including number and location data:

<u>Off-Sale Intoxicating Liquor Licenses</u>
Sec. 6-38. - Kinds of liquor licenses.
Off-sale intoxicating liquor licenses, which may be issued only to exclusive liquor stores, brewer taprooms or brew pubs.

Sec. 6-36. - License required; number of licenses.
The city council shall issue off-sale liquor licenses in such a manner that no license shall be issued to a property which is located within **one mile** of the location of an **existing off-sale license**. The number of off-sale licenses issued shall not exceed a ratio of **one** license for every **7,000 population**. The council is not required to issue the full number of off-sale licenses that it has available.

Based on current code and population, the city has 10 off-sale licenses available, with 8 active licenses to date. It should be noted the 1 brewer taproom license in the city is not included in this cap. A map is included showing the current off-sale licenses and the one-mile radius around each location.

This topic was last reviewed in September 2017 and council consensus at that time was to review again if and when a grocer/off-sale concept was presented. Economic development staff routinely have conversations with grocers that are interested in the community and have an off-sale liquor component to their operation. The question whether the city would be interested in changing the distance and/or number of licenses is often asked by these groups, as many of the sites they look at are within one-mile of another off-sale location. Unfortunately, staff isn't able to provide a solid answer since the discussion has not occurred with the city council. Additionally, staff has spoken with potential restaurants that have an off-sale component for wine. This is a more "boutique" transaction in which the restaurant has unique, nicer wine offerings at their location for off-sale purposes. An example is Pour Wine Bar in Champlin, where they have a restaurant and offer un-opened bottles of wine for sale that a customer can take home.

Should council wish to make amendments to the current code to allow more flexibility in off-sale licensing, staff suggests the following options:
- Amend or delete the ratio requirement of one license for every 7,000 population
- Amend or delete the one-mile radius requirement from an existing license
- Create an additional license type to allow an off-sale license in conjunction with a permitted or conditional principal retail use with minimum floor areas such as 50,000 square feet (warehouse store) or 15,000 (grocery store) where the distance restriction and/or license cap does not apply.
- Create an additional license type to allow an off-sale license in conjunction with a restaurant where the distance restriction and/or license cap does not apply.

Tobacco Licenses
Sec. 42-61. - Generally.
(a) License required. No person shall sell or offer to sell any licensed product without first having obtained a license to do so from the city.

The current city code does not cap the number of tobacco licenses. Discussion on potentially limiting tobacco licenses was held during the ordinance amendment discussions in 2023 but council consensus at the time was to wait until the city was more fully developed. Blaine currently has 54 active tobacco licenses with 1 pending, 9 of which are exclusive tobacco products stores. It should be noted there are no distance restrictions from another licensed facility in place. Below is a summary of surrounding cities' tobacco licenses, population, and any existing caps:

City	# of licenses	Population	Cap
Arden Hills	5	9,592	moratorium in place until 11/24
Blaine	**55**	**70,222**	--
Brooklyn Park	50	84,993	--
Burnsville	47	64,522	--
Champlin	15	23,919	# of shops capped at 2
Coon Rapids	46	63,415	--
Cottage Grove	22	41,027	--
Crystal	2-	22,265	
Eden Prairie	27	54,442	--
Hopkins	19	18,608	--
Maple Grove	29	71,230	# of shops capped at 5
Maplewood	42	42,088	--
Minnetonka	28	54,474	# of shops capped at 6
Oak Grove	7	9,311	--
Plymouth	37	80,762	--
Ramsey	18	27,646	--
Richfield	22	36,710	to be capped at 4 thru attrition
Rogers	11	13,295	--
Vadnais Heights	10	12,473	--
White Bear Lake	24	24,883	# of shops capped at 10
Woodbury	28	77,224	--

Should the council wish to make amendments to the current code to allow more flexibility in limiting the number of tobacco licenses, staff suggests the following options:
- Cap/limit the overall number of tobacco licenses to no more than 60. Keep in mind, the licenses are all encompassing and don't differentiate between an exclusive tobacco store versus a gas/convenience store.
- Cap/limit the overall number of exclusive tobacco products shops only.
- Restrict locations either through zoning or distance elements for exclusive tobacco products shops only.
- Create a separate license for cigar clubs. There has been interest in this type of use in various new developments in the city.
- Amend current signage standards that could address elements used to attract visibility to licensed locations,

such as tobacco product shops, like bright lighting and signage.

Attached are letters and information for support for a tobacco license cap from the Minnesota Department of Health, Association of Nonsmokers Minnesota, and the American Lung Association.

Staff Recommendation

Staff requests council feedback.

Questions for Council

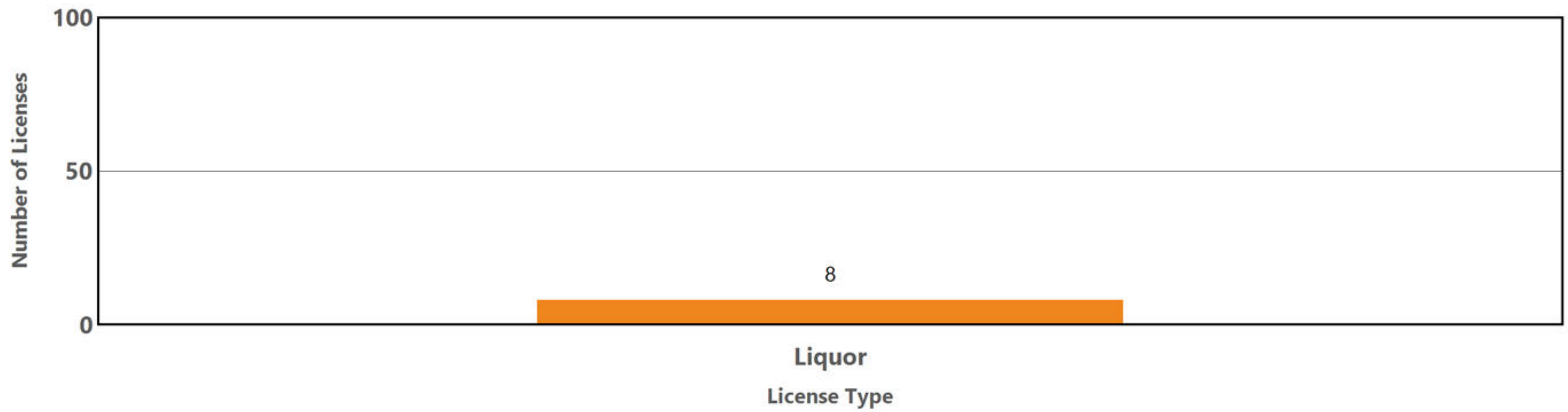
1) Is council interested in amending distance requirements for off-sale licenses?
2) Is council interested in amending the current cap for off-sale licenses?
3) Is council interested in creating an additional off-sale license type in conjunction with a big box store?
4) Is council interested in implementing a cap for tobacco licenses?

Attachment List

1. Business Licenses-Type and Status - Off Sale
2. Off Sale Liquor License Locations
3. Business Licenses-Type and Status - Tobacco
4. American Lung Association Letter of Support
5. Association for Nonsmokers MN - Capping Tobacco Licenses
6. Association for Nonsmokers MN
7. MDH Memo

Business Licenses by Type & Status

Report Date: 4/25/2024



Liquor

License No	Business Name	Business Location	Iss Date	Exp Date	Status
OFFSL-02239	Central Spirits Liquor Store	1438 93rd Ln Ne, Blaine, MN 55449	6/23/2023	6/30/2024	Active
	Owner: Paul Spitzley	[redacted]			
OFFSL-08162	CUB WINE AND SPIRITS	4255 Pheasant Ridge Dr Ne, Blaine, MN 55449	6/26/2023	6/30/2024	Active
	Owner: Julia Petersen	[redacted]			
OFFSL-02260	G-Will Liquors	2320 Cloud Dr Ne, Blaine, MN 55449	6/23/2023	6/30/2024	Active
	Owner: Daniel C. Fields	[redacted]			
OFFSL-05514	MGM Wine & Spirits	255 County Road 10 Ne, Blaine, MN 55434	6/23/2023	6/30/2024	Active
	Owner: Chai Vang	[redacted]			
OFFSL-08044	NAPLES WINE AND SPIRITS LLC	3453 Lake Dr Ne, Blaine, MN 55449	6/23/2023	6/30/2024	Active
	Owner: PETER H JESH	[redacted]			
OFFSL-02226	Star Liquors	10731 University Ave Ne, Blaine, MN 55434	6/23/2023	6/30/2024	Active

Business Licenses by Type & Status

Report Date: 4/25/2024

Liquor

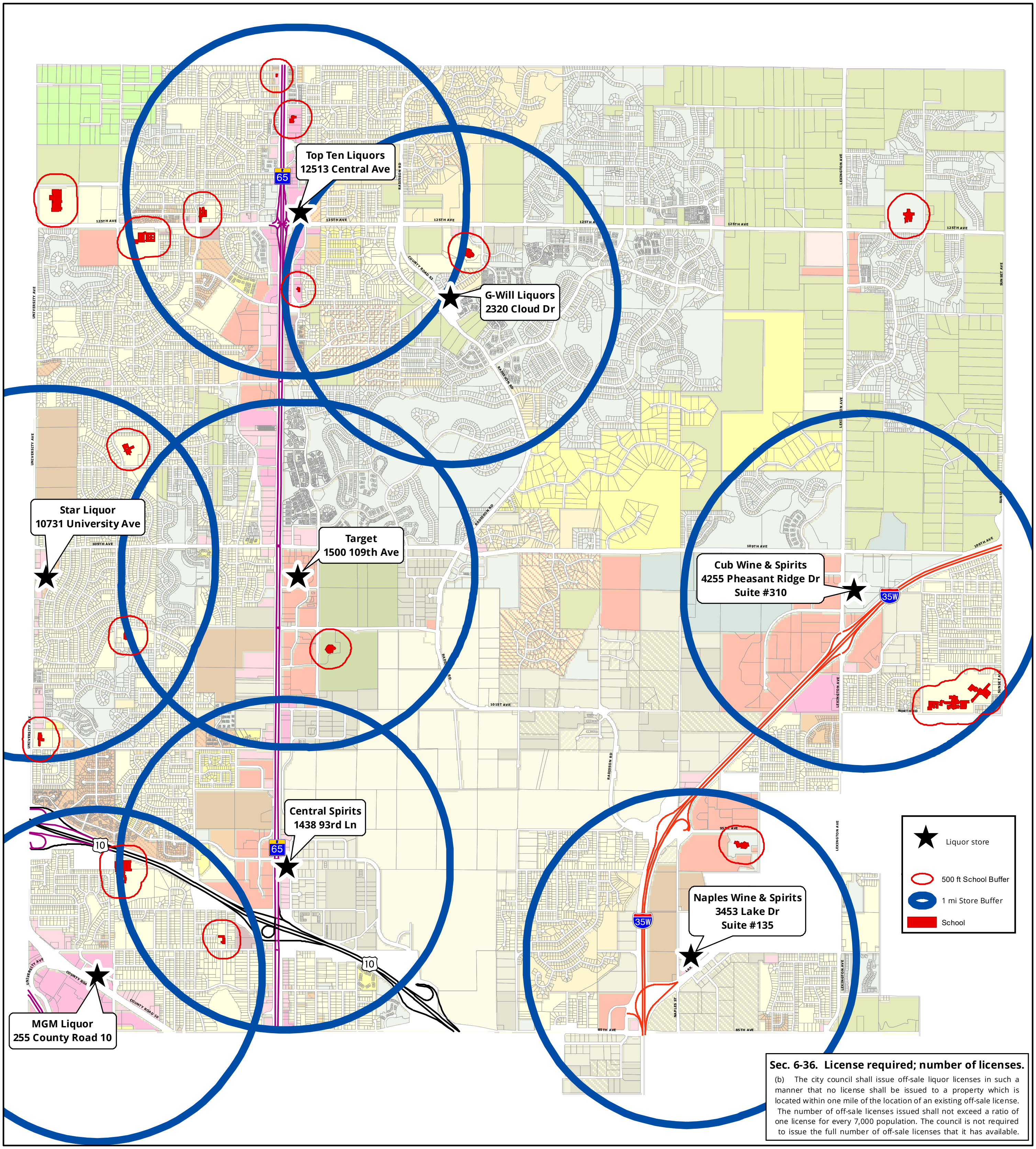
License No	Business Name	Business Location	Iss Date	Exp Date	Status
	Owner: Kenneth R. Streeter	[redacted]			
OFFSL-00915	Target Store T-1832	1500 109th Ave Ne, Blaine, MN 55449	6/23/2023	6/30/2024	Active
	Owner: Email Beall	[redacted]			
OFFSL-07318	TOP TEN LIQUORS	12513 Central Ave Ne, Blaine, MN 55434	6/23/2023	6/30/2024	Active
	Owner: Jonathan Halper	[redacted]			

Total Liquor: 8

Total Number of Licenses: 8

Off-Sale Liquor Stores

1-Mile Radius from Store Boundaries



Sec. 6-36. License required; number of licenses.

(b) The city council shall issue off-sale liquor licenses in such a manner that no license shall be issued to a property which is located within one mile of the location of an existing off-sale license. The number of off-sale licenses issued shall not exceed a ratio of one license for every 7,000 population. The council is not required to issue the full number of off-sale licenses that it has available.

City of Blaine

Disclaimer: This document has been compiled using information gathered from various governmental offices and other sources and is to be used for reference purposes only. Every effort has been made to make sure the completeness and accuracy on this document. The City of Blaine does not represent that the data can be used for exact measurement of distance or direction or precision in the depiction of geographic features. If errors or discrepancies are found, please contact (763) 717-2639.

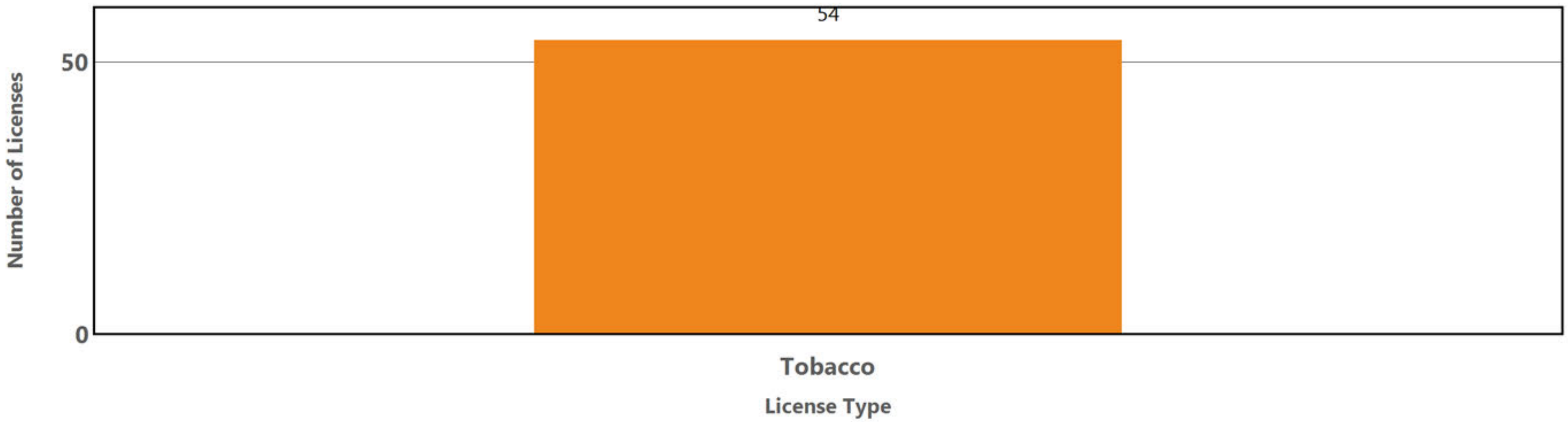
0 ½ 1
Miles

Map Date: March 2022
Map Created by City of Blaine GIS

City_Clerk\Projects\Liquor Stores\Liquor Store Locations.mxd

Business Licenses by Type & Status

Report Date: 4/25/2024



Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB23-0003	65 HEY LLC	10904 Baltimore St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Muntasir Eisa	[redacted]			
TOB-08106	AWAD COMPANY (MARATHON)	10102 Sunset Ave Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Estephan Antoine Awad	[redacted]			
TOB23-0004	Blaine Gas Inc.	12880 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Anthony Rammer	[redacted]			
TOB-02234	Blaine MotoMart	10270 Baltimore St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: FKG Oil Company	[redacted]			
TOB-07173	BLAINE TOBACCO	12523 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Avni Istrefaj	[redacted]			
TOB-02249	Casey's General Stores, Inc	8501 Xylite St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: CASEY'S RETAIL COMPANY	[redacted]			

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB-02239	Central Spirits Liquor Store	1438 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Paul Spitzley	[redacted]			
TOB-06869	Central Tobacco	1430 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Muntasir Eisa	[redacted]			
TOB22-0002	Circle Pines Station	8550 Lexington Ave Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Adnan Safi	[redacted]			
TOB22-0001	Circle Smoke Shop Plus	8550 LEXINGTON AVE NE, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Adnan Safi	[redacted]			
TOB-05720	Cub Foods #155936	12595 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Nate Spevacek	[redacted]			
TOB-05721	Cub Foods #155940	585 Northtown Dr Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Arturo Cerna	[redacted]			
TOB-07717	CUB FOODS #1592	10881 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Vicky Brekke	[redacted]			
TOB-05719	Cub Foods #31664	4205 Pheasant Ridge Drive Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Lindsay Schultz	[redacted]			
TOB21-0004	Cub Wine and Spirits	4255 Pheasant Ridge Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Julia Petersen	[redacted]			
TOB-08215	E CIG SMOKE	11724 Ulysses Ln Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Taleb Wazwaz	[redacted]			
TOB-07073	ELIFE, LLC	1536 125th Ave Ne, Blaine, MN 55449	1/2/2024	12/31/2025	Active
	Owner: Michael Donnelly	[redacted]			

Business Licenses by Type & Status

Report Date: 4/25/2024

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB23-0005	Fleet Farm	10250 Lexington Ave Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Steven Jensen	[redacted]			
TOB-05834	Fleet Farm Fuel	10280 Lexington Ave Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Steven Jensen	[redacted]			
TOB21-0006	Founders Cigar Company	9150 Isanti St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Brian Schmittdiel	[redacted]			
TOB-05701	GAS AND MORE, INC.	1444 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: tarek kablawi	[redacted]			
TOB-02264	Gas Plus #10	9305 Central Ave Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Stephen Dahl	[redacted]			
TOB-02260	G-Will Liquors	2320 Cloud Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Daniel Fields	[redacted]			
TOB-02251	Holiday Station Store # 306	4167 Ball Rd Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Sarah Willis	[redacted]			
TOB-02270	Holiday Station Stores, Inc.	9933 Ulysses St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Sarah Willis	[redacted]			
TOB-06625	Holiday Stationstores	10909 Radisson Rd Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Sarah Willis	[redacted]			
TOB-06895	Kwik Trip	1355 85th Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.	[redacted]			
TOB-07991	KWIK TRIP #1014	12260 Fraizer St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.	[redacted]			
TOB-08085	KWIK TRIP #1022	11736 Ulysses Ln Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
	Owner: Kwik Trip, Inc.	[redacted]			
TOB21-0007	Kwik Trip #1136	10880 Austin St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.	[redacted]			
TOB-07205	KWIK TRIP #206	3405 Lake Dr Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.	[redacted]			
TOB-07965	Kwik Trip #925	10510 Radisson Rd Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.	[redacted]			
TOB-05514	MGM Wine & Spirits	255 County Road 10 Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Chai Vang	[redacted]			
TOB-08022	MINI MART #5	9850 Polk St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Mukesh Chaudhary	[redacted]			
TOB23-0002	MN Restwood Inc	3401 Restwood Rd Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Purvakumar Ramanlal	[redacted]			
TOB23-0006	Northside Grocery & Deli LLC	1578 125th Ave Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: HINDIA MUMED	[redacted]			
TOB-08052	NOVA WAY, LLC	601 125th Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Dayaa Elnagar	[redacted]			
TOB-02207	Ole Piper Inn	1416 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Paul Spitzley	[redacted]			
TOB-06429	Speedway #4311	12504 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Shameka Wiley	[redacted]			
TOB-06428	Speedway #4321	9720 Central Ave Ne, Blaine, MN 55434	1/2/2024	12/31/2025	Active
	Owner: Shameka Wiley	[redacted]			

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB-06430	Speedway #4445	10865 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Shameka Wiley	[redacted]			
TOB-07957	Speedway #7020	2310 Cloud Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Shameka Wiley	[redacted]			
TOB22-0003	Super USA Gas Plus Inc.	12080 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Khalaf Ibrahim Qasem	[redacted]			
TOB-06967	Tobacco & More	10549 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Qasim Almayahy	[redacted]			
TOB21-0002	Tobacco 10 LLC DBA Hi TEC Tobacco	780 County Road 10 Ne, Blaine, MN 55434	12/21/2023	12/31/2024	Active
	Owner: Muntasir Eisa	[redacted]			
TOB-07713	Tobacco Vape Center	10519 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Iyad Sati	[redacted]			
TOB-07318	TOP TEN LIQUORS	12513 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Jonathan Halper	[redacted]			
TOB-02225	Tournament Players Club	11444 Tournament Players Pkwy Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Joe Mascaluso	[redacted]			
TOB-02233	Walgreen's #05413	600 County Road 10 Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co	[redacted]			
TOB-02223	Walgreen's #7781	4202 Pheasant Ridge Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co	[redacted]			
TOB-02201	Walgreens #07218	12480 Aberdeen St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co	[redacted]			

iMS

Business Licenses by Type & Status

Report Date: 4/25/2024

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB-05746	Walgreens #11287	10905 Ulysses St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co	[redacted]			
TOB-07507	WalMart #3498	4369 Ball Rd Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: SARAH LITTLE	[redacted]			
TOB-07074	WALMART, INC.	11505 Ulysses St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: SARAH LITTLE	[redacted]			

Total Tobacco: 54

Total Number of Licenses: 54

May 6, 2024

To: Mayor Tim Sanders and Blaine City Council

On behalf of the American Lung Association in Minnesota, I'm writing to support limiting the number of tobacco licenses in the City of Blaine. Putting a cap on the number of tobacco retailers in Blaine will protect residents' health and help prevent youth initiation.

In communities with higher numbers of tobacco retailers, rates of tobacco use are also higher. By setting a limit on the number of licenses lower than the current number, there is not a negative impact on current license holders, and it provides a path toward a healthier community environment.

Thank you for the research you have done on the current status and beginning this conversation such an important lung health topic.

Sincerely,

Pat McKone, Senior Director

Public Policy and Advocacy

Pat.mckone@lung.org

Reducing the Number of Tobacco Licenses in Your Community

The "How" and "Why" of reducing the number of stores selling tobacco products in your community.

When more tobacco and e-cigarette retailers are located in a given area, residents' health suffers. Youth are more likely to start using tobacco. People who smoke consume more cigarettes per day and have a harder time quitting. Further, tobacco and e-cigarette retailers cluster in neighborhoods with a high percentage of low-income residents and Black and Latino residents. These communities are targeted by tobacco companies, and they disproportionately suffer the health harms caused by tobacco use.

To decrease the overall presence and impact of commercial tobacco, communities can use their tobacco licensing ordinance to restrict the total number of tobacco licenses that they issue.

There are varied approaches to restricting the number of tobacco licenses, including:

- Setting a cap of zero licenses. When a license is not renewed (for example, if a retailer closes or chooses to stop selling tobacco products), it is permanently retired, effectively reducing the overall number of licenses over time.
- Setting a cap of one or more on the total number of licenses and requiring any prospective tobacco or e-cigarette retailer in excess of the cap to join a waiting list until an existing license becomes available.
- Setting a cap at a specific number of licenses based on population (for example, allowing one tobacco license per 2,000 residents). As with capping a total number of licenses at zero, when a license is not renewed, it is permanently retired until the desired total number of licenses is reached.

- Creating two license categories: one for tobacco-only retailers (stores that derive 90% of their total revenue from tobacco and tobacco related products) and one for stores that sell tobacco as well as other products, including gas stations, convenience stores, grocery stores. Then, setting a separate cap on the total number of each type of license. Any prospective tobacco or e-cigarette retailer in excess of the relevant cap would be required to join a waiting list until an existing license becomes available.

How have Minnesota communities approached capping the number of tobacco licenses?

A number of Minnesota communities have used license capping as a way to address the impact of commercial tobacco. Bloomington, which currently has more than 50 tobacco licenses, set a cap of zero licenses. Through attrition, the city will eventually get down to zero, though this will likely take decades.

Golden Valley capped their licenses at 8. At the time, they had 14 licenses. Through attrition, the city will get down to 8 licenses. They arrived at the number 8 by setting a standard of having one tobacco license per 2500 residents in their community.

Saint Paul created two classifications of licenses to sell tobacco. The total cap on the number of Tobacco Shop licenses is 150, compared to the 190 licenses in operation in St. Paul today. The number of Tobacco Products Shops licenses is capped at 25, compared to the 39 in operation today. St. Paul will reach these license numbers through attrition and new licenses can be given only after they fall below these caps.

Is capping the number of tobacco licenses an effective tobacco prevention strategy?

Yes. The location and density of commercial tobacco-related product retailers influences tobacco-related product use among residents living in those communities. Research shows that youth who live or attend school in neighborhoods with the highest density of tobacco outlets or retail tobacco advertising have higher smoking rates compared to youth who live or attend school in neighborhoods with fewer or no tobacco outlets.[1] Compounding existing health disparities, tobacco retailers are often concentrated in communities at higher risk for adverse health outcomes. Further, tobacco manufacturer spending on advertising, marketing and price is directed at youth and young adults. The majority of smokers start young, youth get tobacco from older peers, and exposure to nicotine is particularly dangerous to the adolescent brain. Therefore, the purpose of this ordinance is

[1] Schleicher, N. C., Johnson, T. O., Fortmann, S. P., & Henriksen, L. (2016). Tobacco outlet density near home and school: Associations with smoking and norms among US teens. *Preventive medicine*, *91*, 287–293. https://doi.org/10.1016/j.ypmed.2016.08.027

3

to reduce the appeal to youth and young adults and reduce the likelihood that youth and young adults will become users of tobacco-related products later in life, thereby promoting health, safety and welfare.

What resources exist for communities looking to cap the number of tobacco licenses they issue?

There are several resources available to Minnesota communities, including model ordinance language from the Public Health Law Center. See below for this and other resources:

1. **MINNESOTA CITY RETAIL TOBACCO LICENSING ORDINANCE, Public Health Law Center:** https://publichealthlawcenter.org/sites/default/files/resources/MDH-City-Retail-Ordinance-2020.pdf (See Page 12 for language about license capping)
2. **Location, Location, Location: Tobacco and E-cig sales, Public Health Law Center:** https://publichealthlawcenter.org/sites/default/files/resources/Location-Tobacco-Ecig-Point-Of-Sale-2019.pdf
3. **Tobacco Ordinance FAQ from the City of Bloomington:** https://www.bloomingtonmn.gov/ph/tobacco-ordinances
4. **Counter Tools Policy Solution: LICENSING, ZONING, AND RETAILER DENSITY:** https://countertobacco.org/policy/licensing-and-zoning/
5. **Change Lab Solutions: "Tobacco Retailer Density Place-Based Strategies to Advance Health and Equity":** https://changelabsolutions.org/sites/default/files/CLS-BG214-Tobacco_Retail_Density-Factsheet_FINAL_20190131.pdf (pages 4-5)

May 6, 2024

Mayor Tim Sanders and members of the Blaine City Council:

The Association for Nonsmokers-Minnesota (ANSR) supports the City Council's initiative to review the current tobacco license structure, your consideration of developing a two tiered license system, and capping the number of tobacco licenses in Blaine. We are not supportive of allowing cigar clubs/lounges or similar establishments.

ANSR is a nonprofit organization dedicated to reducing the human and economic costs of commercial tobacco, nicotine and other drugs in Minnesota. For 50 years, we have helped enact strong public policies to reduce youth commercial tobacco use and advance health equity.

Limiting the number of tobacco retailers in your city will protect your residents' health. Commercial tobacco use rates are higher in areas with higher concentrations of tobacco and e-cigarette retailers. Increasingly cities are moving to reduce rather than expand the number of tobacco outlets. Recently Saint Paul set their license cap about 25% below the current number of license holders. Bloomington set its cap at zero as they would like Bloomington to eliminate these businesses altogether through attrition. By setting a license cap lower than your current number of license holders, you do not negatively impact current vendors and you achieve the public health goal of reducing access to tobacco, and you are taking an important step toward denormalizing use.

While most cities do not have a two tiered license system, Saint Paul and some other communities have taken that approach in recent years. In Saint Paul the discussion centered around the issue that businesses with the same license had different requirements. For example, people of any age can enter a grocery or drug store that sells tobacco, but a tobacco shop that has 90% of its sales from tobacco cannot allow anyone under the age of 21 to even enter the store. Understanding the regulations and enforcement both seem to be easier with a two tiered license system.

Cigar lounges/clubs, locations where individuals purchase tobacco products then use those products while they socialize, watch a ball game or play darts, are not legal under the Minnesota Clean Indoor Air Act (MCIAA). The law makes no exception for smoking in these venues. Below is a quote from a letter on the subject from the Minnesota Department of Health, the agency charged with enforcing the MCIAA.

"Businesses whose primary purpose is to provide a place for customers to smoke are violating the MCIAA." The full letter is attached.

We are pleased that the council is holding a work session on this important matter. If you have questions or would like to discuss it further, please contact me at 651-646-3005.

Sincerely,

Jeanne Weigum, President

cc: City Manager Michelle Wolfe

Memo

MINNESOTA MDH DEPARTMENT OF HEALTH

Date: February 20, 2013

To: Community Health Service Administrators and Public Health Directors

From: Jeanne Ayers, Assistant Commissioner of the Health Improvement Bureau
Agnes Leitheiser, Assistant Commissioner of the Health Protection Bureau

Jeanne Ayers
Aggie Leitheiser

Subject: Minnesota's Tobacco Modernization and Compliance Act and lighting of tobacco in tobacco product shops

ENC: The Tobacco Modernization and Compliance Act of 2010

The Minnesota Department of Health is providing information to Community Health Agencies on two important topics: 1) Minnesota's Tobacco Modernization and Compliance Act of 2010; and 2) the lighting of tobacco in tobacco product shops under the Freedom to Breathe amendments to the Minnesota Clean Indoor Air Act (MCIAA). In an effort to address concerns brought to our attention, we are sharing this information with you and encourage you to circulate this memo to others within in your agency, including the individual(s) who handles the licensing of tobacco retail stores and/or monitoring of the MCIAA.

The Tobacco Modernization and Compliance Act was signed into law on May 11, 2010, and took effect on August 1, 2010. The Tobacco Modernization and Compliance Act expands Minnesota laws related to the sale and use of tobacco products and related devices. Over the past few years, local communities have updated their local Youth Access to Tobacco Ordinance to be in compliance with this Act. A few key provisions of the law include:

- the law prohibits selling tobacco products, rolling papers and pipes, including hookah pipes, in open displays except in adult-only tobacco stores;
- the law prohibits the promotional distribution of tobacco products, including products that can be smoked, chewed or ingested, at no cost or nominal cost; and
- the law prohibits selling or providing to a minor (youth under age 18) any delivery device, such as an electronic cigarette, that contains or delivers nicotine or lobelia.

A one-page summary about the Tobacco Modernization and Compliance Act of 2010 developed by the Public Health Law Center is attached. The Public Health Law Center and the League of Minnesota Cities Codification Service created a model tobacco licensing ordinance which is available at: http://publichealthlawcenter.org/sites/default/files/resources/phlc-modelord-tobaccolicensing-mn-2010.pdf

We are also sharing information regarding Minnesota Statutes, section 144.414, subdivision 1, which prohibits smoking in virtually all public places and places of employment, except as

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Minnesota Department of Health •
625 Robert St N • P.O. Box 64975 • St. Paul, MN 55164-0975 • (651)201-5000
www.health.state.mn.us

specifically exempted in statute. A narrow exemption is provided in section 144.4167, subdivision 4, for "the lighting of tobacco in a tobacco products shop by a customer or potential customer for the specific purpose of sampling tobacco products." Specific criteria must be met in order for an establishment to qualify for this exception. A tobacco products shop must:

- Be a retail establishment;
- Have an entrance door opening directly to the outside;
- Derive more than 90 percent of its gross revenue from the sale of tobacco, herbs, pipes and other smoking devices, and/or related smoking accessories, with the sale of other non-tobacco-related products being incidental;
- Not be a part of an enterprise with any type of liquor, food or restaurant license.

If a retail establishment meets the criteria above, it may allow its customers or potential customers to light tobacco "for the specific purpose of sampling tobacco products." Although the term "sampling" is not defined in the statute, local governments can consult with their attorneys about enforceability in their jurisdictions. In addition, local governments should consider whether the activities engaged in by a proprietor are consistent with the letter and intent of the law. For example, a retail establishment that offers patrons the opportunity to purchase sessions of time for smoking shisha in a hookah pipe on-site and provides them with a "menu" of on-site session options would appear to be a lounge rather than a retail tobacco store that has as its primary purpose the sale of tobacco and related products.

Local municipalities play an important role in determining whether tobacco products shops are in compliance with state law and have several important tools at their disposal in that regard, including:

- **The authority to deny tobacco licenses.** The statute only allows the lighting of tobacco in retail tobacco shops. Therefore, if a prospective proprietor's business model is for a "tobacco lounge" or a "smoking lounge," that prospective proprietor should be denied a tobacco license, because this model is not legal in Minnesota.
- **Building Code Enforcement.** Some cities have required tobacco product shops that allow sampling to meet stringent ventilation standards or limit occupancy based on building codes for specific types of businesses.
- **Other limits on licenses.** Some jurisdictions have limited hours of operation.
- **Establishment and enforcement of ordinances: Local governments have authority to enact stronger laws.** The MCIAA specifically permits cities and counties to "enact and enforce more stringent measures to protect individuals from secondhand smoke." MDH is aware that some local jurisdictions have established moratoriums on retail tobacco stores and that some have enacted ordinances that prohibit any and all smoking for any purpose within retail tobacco stores.

If you have questions, please contact Chris Tholkes, Supervisor of MDH's Alcohol and Tobacco Prevention and Control Unit at 651-201-5394 or Chris.Tholkes@state.mn.us .

City of Blaine
Staff Report

File Number: 2024-153

Agenda Date	Status
May 13, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.6

General Fund - Fund Balance

Background

Pursuant to City policy, the General Fund is required to retain a year-end fund balance equal to:

- 30% of the subsequent year's budget
- 5% of the subsequent year's property tax levy
- 100% of the subsequent year's budgeted public safety reimbursements from the state

While not required, The Office of the State Auditor (OSA) recommends that at year-end, local governments maintain an unreserved fund balance in their general fund and special revenue funds of approximately 35% to 50% of fund operating revenues, or no less than five months of operating expenditures.

During the last 16 years, 12 times unrestricted General Fund reserves have been transferred to the Capital Equipment and Projects Improvement Fund for the purchase of vehicles and capital equipment. This funding has historically served as a financing mechanism that otherwise would have necessitated an additional property tax levy.

On June 20, 2023, the Council approved staff's recommendation to transfer $1,850,000 to the Self-Insurance Fund and $650,000 to the Workers Compensation Fund, with funding provided by General Fund reserves. At the time this recommendation was provided, staff didn't consider the following factors when calculating the available unassigned fund balance in the General Fund at year-end 2022:

- The $850,000 investment market value mark-down that occurred for fiscal year 2022;
- The updated property tax levy for 2023; and
- The requirement to retain 100% of budgeted public safety reimbursements for 2023

Ultimately, the General Fund had $1.5 million of excess unrestricted reserves in 2022, not the $2.5 million that was indicated. For year-end 2023, the General Fund is projected to be in violation of the city’s fund balance policy by approximately $760,000.

Preliminary 2023 financial statements indicate the year-end net position, or assets in excess of liabilities, will be approximately $10,000 for the Self-Insurance Fund and a negative $31,000 for the Workers Compensation Fund. The balance of these funds has been a topic raised by S&P, the city's credit rating agent, during the last several bond sales. The City's commitment to financing these activities appropriately and developing a plan to ensure the funds maintain a positive net position has been noted in the most recent credit rating. Absent the $2.5 million transfer, both of these funds would continue to be in a significant deficit status.

Albeit generally not a significant audit issue, failure to maintain the City’s fund balance policy may have an impact on the credit rating the City receives when issuing debt. Erosion of fund balance, non-conformance with internal policy, and failure to proactively resolve the projected gap will likely impact the rating agencies' evaluation of the City's management and financial controls. With several bonding projects on the horizon related to regular city activities, including pavement management and capital equipment, as well as additional financing for redevelopment along 105th Avenue, maintaining the City’s AAA rating will be important to secure the best possible interest rate in a very volatile environment.

Staff Recommendation

In order to resolve the projected gap in unrestricted fund balance, staff is recommending the transfer of $2.5 million from the General Fund that was approved by the Council on June 20, 2023, be amended down to $1.5 million and the Strategic Priorities Fund be used to supplement the $1.0 million difference.

On April 1, 2019, the City Council accepted a check for $2,648,000 from the North Suburban Hospital District (NHSD), representing Blaine’s share of funds remaining after the dissolution of the hospital district. In May 2019, pursuant to Council direction, the City’s Strategic Priorities Fund (SPF) was established and the proceeds from the dissolution were placed in this fund. Since the fund’s inception, the following uses have been approved:

- 2019 - $100,000 for Veterans Memorial Park
- 2022 - $2,609,454 for the purchase of 10550 Nassau Street
- 2024 - $500,000 to fund 2024 playground replacements and trail maintenance

In addition to the uses noted above, the Council approved a one-time transfer of $4.2 million of unrestricted General Fund Reserves to the Strategic Priorities Fund on December 21, 2021.

The City Council adopted the Use of Strategic Priorities Funds Policy on September 7, 2022, to formalize the process of utilizing funding. Per the policy, it is the intention of the city council that the Strategic Priorities Fund be used only after careful deliberation and for two primary purposes:

- As a funding source for items considered to be of high priority for accomplishing established strategic initiatives
- As a supplemental, levy-stabilizing funding source from which to draw to maintain basic service levels in the event of an economic downturn

The policy further states that expenditures or transfers from the Strategic Priorities Fund shall be made only after careful deliberation by the city council. Use of funds for strategic initiatives must:

1. Identify that the project has sufficient community-wide benefit which is consistent with established strategic initiatives, city goals, or programs.
2. The project will advance or achieve one or more of the strategic initiatives identified in the City’s adopted Strategic Plan.

Staff believes that using the Strategic Priorities Fund to supplement the General Fund Transfer to the Self-Insurance and Workers Compensation Fund will stabilize the levy and better position the City's insurance related funds for long-term financial sustainability.

Should the City Council be generally supportive of the recommended amendment, staff will prepare a resolution for the Council to consider at the regular June 3, 2024 meeting.

Questions for Council

Does the City Council support amending the $2.5 million transfer from the General Fund to the Self-Insurance and Workers Compensation Funds to $1.5 million and supplementing a $1.0 million transfer from the Strategic Priorities Fund, retroactive to 2023?

Attachment List

1. Strategic Priorities Fund Use Policy
2. Preliminary 2023 General Fund - Fund Balance
3. Preliminary 2023 Internal Service Fund Financial Statements

USE OF STRATEGIC PRIORITIES FUNDS POLICY

Adopted September 7, 2022

History of the Strategic Priorities Fund

On December 15, 2016, the Blaine City Council adopted a resolution accepting the determination of the North Suburban Hospital District (NSHD) to dissolve and petitioned the NSHD to proceed with the requirements of dissolution. In early 2019 the NSHD adopted a formal dissolution plan and a resolution directing the transfer of NSHD funds.

On April 1, 2019, pursuant to the dissolution plan and resolution, the City Council accepted a check for $2,648,000 from the NSHD, representing Blaine's share of funds remaining after the dissolution of the hospital district. At the May 6, 2019 Workshop, the Council consensus regarding these funds was to (1) create a separate fund to be used pursuant to Council priorities as established at a later date and (2) set aside $100,000 of the proceeds to be used as a matching grant to assist in funding for the new Veterans Memorial Park. Per this direction, the City's Strategic Priorities Fund was established and on October 7, 2019 a payment of $100,000 to Veterans Memorial Park was approved.

In 2021, the City Council directed that $325,000 of the city's general tax levy be allocated to the Strategic Priorities Fund and in December 2021, the council authorized the transfer of $4.2 million of unrestricted General Fund reserves to the Strategic Priorities Fund. For 2022, Council directed that $250,000 of the city's general levy be allocated to the fund. At the adoption of this policy, the Strategic Priorities Fund has a balance of roughly $7.3 million.

Since the inception of the Strategic Priorities Fund, the City Council has expressed its intent to develop a policy that governs expenditures from the fund. Per Council discussions, it was intended that the fund be used only for items that the Council considers to be of high priority for accomplishing established strategic initiatives. Additionally, Council has expressed a desire to establish a strategy whereby, in the event of an economic downturn, the City would have a funding source from which to draw to maintain basic service levels without putting undue pressure on the tax levy. This policy incorporates the above parameters and is modeled after the City's Capital Improvement Fund Policy, including the requirement that expenditures from the fund must be supported by at least five (5) affirmative votes of the Council.

Policy Statement

It is intention of the city council that the Strategic Priorities Fund be used only after careful deliberation and for two primary purposes:

- As a funding source for items considered to be of high priority for accomplishing established strategic initiatives
- As a supplemental, levy-stabilizing funding source from which to draw to maintain basic service levels in the event of an economic downturn

Strategic Initiatives

Expenditures or transfers from the Strategic Priorities Fund shall be made only after careful deliberation by the City Council. Use of funds for strategic initiatives must:

1. Identify that the project has sufficient community-wide benefit which is consistent with established strategic initiatives, city goals, or programs.
2. The project will advance or achieve one or more of the strategic initiatives identified in the City's adopted Strategic Plan

The specific project to be funded and the amount of funds to be appropriated for the project shall be incorporated into an authorizing resolution adopted by an affirmative vote of at least five councilmembers.

Supplemental Levy Stabilization

Use of funds to supplement the General Fund Budget to avoid large fluctuation in the city's property tax levy shall be **considered** only when conditions of an economic downturn exist as established in this policy and measured by:

- A decline in the City's overall taxable property value of 0.5%
- A decline in non-property tax revenue equal to 5% of annual budgeted revenue
- A mid-year decline in revenue to the extent that the General Fund's reserves would be depleted but for a transfer from the Strategic Priorities Fund.

The specific amount to be appropriated for use a supplemental General Fund revenue source shall be incorporated into an authorizing resolution adopted by an affirmative vote of at least five councilmembers.

In addition to funds currently on hand in the Strategic Priorities Fund, the city council may at any time and at its discretion, direct that funds be deposited into the fund. Once placed into the Strategic Priorities Fund, the funds shall be subject to the requirements of this policy.

City of Blaine, Minnesota
General Fund - 101
Summary of Revenues, Expenditures, and Change in Net Position
2023 Budget to Actual Analysis (Unaudited)

	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 Projected	Variance from 2023 Actual Positive (Negative)	
Revenues							
Taxes	$ 25,899,131	$ 27,948,206	$ 29,298,176	$ 31,712,000	$ 31,233,575	$ (478,425)	98.49%
Special Assessments	-	-	-	-	799	799	0.00%
Charges for Services	5,047,891	5,625,773	5,602,152	5,124,400	5,348,447	224,047	104.37%
Licenses & Permits	2,298,452	3,000,386	3,207,554	2,874,500	2,952,707	78,207	102.72%
Intergovernmental	1,661,378	1,844,611	1,878,710	1,626,000	2,079,673	453,673	127.90%
Fines & Forfeits	159,705	228,787	201,678	220,500	263,017	42,517	119.28%
Proprietary Fund Revenues	-	-	-	-	-	-	0.00%
Miscellaneous	54,664	60,017	129,846	60,000	75,920	15,920	126.53%
Investment Earnings	167,010	(180,734)	(750,207)	150,000	566,600	416,600	377.73%
Total Revenues	**35,288,231**	**38,527,046**	**39,567,909**	**41,767,400**	**42,520,738**	**753,338**	**101.80%**
Expenditures							
Legislative	427,695	447,585	462,763	467,760	460,109	7,651	98.36%
Administrative Services	2,095,817	2,028,983	2,445,181	2,644,360	2,642,225	2,135	99.92%
Finance	2,924,400	3,230,577	3,433,394	3,438,850	3,207,501	231,349	93.27%
Safety Services	13,216,729	14,120,231	15,322,128	17,595,390	17,369,766	225,624	98.72%
Fire Services	2,202,928	2,201,800	2,281,120	2,361,320	2,361,784	(464)	100.02%
Public Works	5,966,292	6,420,663	7,135,658	8,493,910	7,863,921	629,989	92.58%
Engineering	1,124,459	1,188,236	1,339,262	1,878,450	1,884,954	(6,504)	100.35%
Recreation	864,960	1,175,472	1,409,447	1,476,890	1,560,596	(83,706)	105.67%
Community Development	2,172,361	2,191,429	2,559,352	2,791,680	2,657,734	133,946	95.20%
Unallocated	450,400	411,687	431,083	435,000	436,319	(1,319)	100.30%
Total Expenditures	**31,446,041**	**33,416,663**	**36,819,388**	**41,583,610**	**40,444,909**	**1,138,701**	**97.26%**
Revenues Over (Under) Expenditures	**3,842,190**	**5,110,383**	**2,748,521**	**183,790**	**2,075,829**		
Other Financing Sources (Uses)							
Transfers In	2,792,767	-	23,023	-	112,807	112,807	0.00%
Transfers Out	1,700,000	6,275,000	3,400,000	2,500,000	2,500,000	-	100.00%
Total Other Financing Sources (Uses)	**1,092,767**	**(6,275,000)**	**(3,376,977)**	**(2,500,000)**	**(2,387,193)**	**112,807**	**95.49%**
Net Change in Fund Balance	**4,934,957**	**(1,164,617)**	**(628,456)**	**(2,316,210)**	**(311,364)**		
Beginning Fund Balance	13,210,392	18,145,349	16,980,732	16,352,276	16,352,276		
Ending Fund Balance	18,145,349	16,980,732	16,352,276	14,036,066	16,040,912		
Adjust for Inventory	218,014	178,213	148,248	-	280,493		
Adjust for Prepaid Items	93,379	44,490	57,170	-	57,236		
Adj Fund Balance, Dec 31 (Net of Restricted)	**17,833,956**	**16,758,029**	**16,146,858**	**14,036,066**	**15,703,183**		
30% Subsequent Years Budget	10,793,040	11,494,736	12,475,083	-	13,972,460		
5% Subsequent Years Property Tax Levy	1,386,750	1,467,500	1,585,600	-	1,819,279		
Public Safety Reimbursements	515,000	550,000	555,000	-	670,000		
Minimum Unassigned Fund Balance	**12,694,790**	**13,512,236**	**14,615,683**	**-**	**16,461,739**		
Unrestricted Fund Balance	**5,139,166**	**3,245,793**	**1,531,175**	**-**	**(758,556)**		

CITY OF BLAINE, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2023
With Comparative Totals For December 31, 2022

Statement 23

	Compensated Absences	Self-Insurance	Workers Compensation	Pension Benefits	Facilities Maintenance	Totals 2023	Totals 2022
Assets:							
Current assets:							
Cash and cash equivalents	$1,330,623	$440,151	$ -	$ -	$1,141,459	$2,912,233	$2,592,193
Due from other funds	-	26,858	-	-	-	26,858	-
Accrued interest receivable	3,851	16	(2,171)	-	3,016	4,712	223
Prepaid items	-	-	-	-	-	-	-
Total assets	1,334,474	467,025	(2,171)	0	1,144,475	2,943,803	2,592,416
Deferred outflows of resources:							
Related to pensions	-	-	-	22,153,468	-	22,153,468	26,371,909
Liabilities:							
Current liabilities:							
Accounts payable	-	14,638	1,709	-	43,189	59,536	185,351
Accrued liabilities	-	-	-	-	10,197	10,197	7,965
Due to other funds	-	-	26,858	-	-	26,858	1,835,472
Compensated absences payable	230,000	-	-	-	-	230,000	204,000
Claims and judgments payable	-	259,058	-	-	-	259,058	235,134
Total current liabilities	230,000	273,696	28,567	0	53,386	585,649	2,467,922
Noncurrent liabilities:							
Compensated absences payable	2,793,463	-	-	-	-	2,793,463	2,674,361
Claims and judgments payable	-	183,339	-	-	-	183,339	217,553
Net pension liability	-	-	-	21,323,986	-	21,323,986	43,249,815
Total noncurrent liabilities	2,793,463	183,339	-	21,323,986	-	24,300,788	46,141,729
Total liabilities	3,023,463	457,035	28,567	21,323,986	53,386	24,886,437	48,609,651
Deferred inflows of resources:							
Related to pensions	-	-	-	21,244,815	-	21,244,815	473,016
Net position:							
Unrestricted	(1,688,989)	9,990	(30,738)	(20,415,333)	1,091,089	(21,033,981)	(20,118,342)
Total net position	($1,688,989)	$9,990	($30,738)	($20,415,333)	$1,091,089	($21,033,981)	($20,118,342)

Net Position - The difference between assets and liabilities, of which may or may not be available for future spending

CITY OF BLAINE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2023
With Comparative Totals For The Year Ended December 31, 2022

Statement 24

	Compensated Absences	Self-Insurance	Workers Compensation	Pension Benefits	Facilities Maintenance	Totals 2023	Totals 2022
Operating revenues:							
Employee benefit charges	$155,439	$ -	$974,837	$2,769,562	$ -	$3,899,838	$3,479,637
Insurance reimbursements	-	620,395	510,635	-	-	1,131,030	1,147,554
Facilities charges	-	-	-	-	1,322,620	1,322,620	1,038,750
Intergovernmental	-	-	-	36,254	-	36,254	381,347
Total operating revenues	155,439	620,395	1,485,472	2,805,816	1,322,620	6,389,742	6,047,288
Operating expenses:							
Salaries and benefits	439,301	-	-	5,870,227	327,345	6,636,873	4,921,282
Contractual services	-	787,812	1,445,765	-	233,691	2,467,268	2,463,094
Supplies	-	-	-	-	83,545	83,545	72,842
Utilities	-	-	-	-	317,115	317,115	327,427
Repairs and maintenance	-	-	-	-	284,674	284,674	232,270
Total operating expenses	439,301	787,812	1,445,765	5,870,227	1,246,370	9,789,475	8,016,915
Operating income (loss)	(283,862)	(167,417)	39,707	(3,064,411)	76,250	(3,399,733)	(1,969,627)
Nonoperating revenues (expenses):							
Interest earnings	71,882	216	(39,384)	-	57,062	89,776	(11,183)
Loss on disposal of capital assets	-	-	-	-	(105,682)	(105,682)	(422,153)
Total nonoperating revenues (expenses)	71,882	216	(39,384)	0	(48,620)	(15,906)	(433,336)
Income (loss) before transfers	(211,980)	(167,201)	323	(3,064,411)	27,630	(3,415,639)	(2,402,963)
Transfers in	-	650,000	1,850,000	-	-	2,500,000	1,000,000
Change in net position	(211,980)	482,799	1,850,323	(3,064,411)	27,630	(915,639)	(1,402,963)
Net position - January 1	(1,477,009)	(472,809)	(1,881,061)	(17,350,922)	1,063,459	(20,118,342)	(18,715,379)
Net position - December 31	($1,688,989)	$9,990	($30,738)	($20,415,333)	$1,091,089	($21,033,981)	($20,118,342)

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Draft report includes presumption of full $2.5 million transfer into Self-Insurance and Workers Compensation Funds