



City of Blaine

City Council Workshop

July 1, 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.** 2024-264 2023 Annual Comprehensive Financial Report (ACFR) and Audit Review
Sponsors: Jason Zimmerman, Finance Director
 - 3.2.** 2024-188 National Sports Center Super Rink Improvements
Sponsors: Jason Zimmerman, Finance Director, Erik Thorvig, Community Development Director
 - 3.3.** 2024-275 SBM Fire Department - Quarterly Update
Sponsors: Dan Retka, Fire Chief
- 4. Other Business**
- 5. Adjournment**



City of Blaine Staff Report

File Number: 2024-264

Agenda Date	Status
July 1, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.1

2023 Annual Comprehensive Financial Report (ACFR) and Audit Review

Background

Minnesota Statutes require that cities issue an annual financial report prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with those principles by a firm of licensed certified public accountants or the Office of the State Auditor.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all financial information presented in this report.

The City of Blaine's financial statements have been audited by Redpath and Company, Ltd. (Redpath), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessed the accounting principles used; and significant estimates made by management; and evaluated the overall financial statement presentation. The independent audit has issued an unmodified ("clean") opinion on the City of Blaine's financial statements for the year ended December 31, 2023.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the year ended December 31, 2022. This was the 41st consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized report. Staff believes this year's report will satisfy the requirements as well and will submit the finished Annual Comprehensive Financial Report to the GFOA for consideration.

Andy Hering, Principal, from Redpath will present an overview of the audit process and results.

Prior to the workshop, staff will publish the Annual Comprehensive Financial Report for the fiscal year ending December 31, 2023, under the “Annual Comprehensive Financial Reports” section on the City’s Finance Department web page.

Staff Recommendation

There is no action required of the City Council as this review is informational only.

Questions for Council

Attachment List

None



City of Blaine Staff Report

File Number: 2024-188

Agenda Date	Status
July 1, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director, Erik Thorvig, Community Development Director

Agenda Item # 3.2

National Sports Center Super Rink Improvements

Background

As part of the annual legislative session, state agencies, local governments, and political subdivisions submit capital budget requests to Minnesota Management and Budget, who is responsible for collecting project information, evaluating requests, transmitting requests to the Legislature, facilitating the Governor's decision-making process, publishing the Governor's capital budget, selling bonds, and assisting with implementation issues following enactment of a bonding bill. This capital budget process serves a critical function for preserving, improving, and creating assets across the state. During the 2024 session, the Minnesota Amateur Sports Commission (MASC) submitted funding requests for four projects/grant programs, focused on improvements to the Super Rink and other facilities located on the National Sports Center (NSC) campus in Blaine.

MASC was created in 1987 by the Minnesota Legislature to promote the economic and social benefits of amateur sports. MASC contributes to the State of Minnesota by generating economic benefits through sporting events, providing increased amateur sports opportunities for Minnesota residents, and improving infrastructure through developing new athletic facilities and programs. To drive the agency's mission of enhancing the economic and social benefits of amateur sports in Minnesota, MASC has worked with select Minnesota cities to develop regional centers in Rochester, Marshall, St. Cloud, Biwabik, and Blaine to attract out-of-state visitors and serve Minnesotans.

The NSC in Blaine has operated as a hallmark destination for sports and events within the state since the facility was opened in 1990. In 1998, the original four hockey rinks were funded by a cooperative of eleven local governments partnering with the NSC including Blaine, Arden Hills, Centerville, Circle Pines, Coon Rapids, Lino Lakes, Mounds View, New Brighton, Shoreview, as well as Ramsey and Anoka Counties. Four additional sheets of ice were opened in 2006, making it the world's largest ice arena. Except for the Covid-19 pandemic, the Super Rink has been operationally self-sufficient since construction through private ice rentals, in-house programs, hospitality, and sponsorships.

- Rink #1- Coon Rapids Arena
- Rink #2 - Blaine Arena
- Rink #3 - Minnesota Amateur Sports Commission/Centennial Arena
- Rink #4 - Ramsey County Arena
- Rink #5 - Bethel University Arena
- Rink #6 - Herb Brooks Arena
- Rink #7 - Blaine Youth Hockey Arena
- Rink #8 - Centennial Youth Hockey Arena

The capital budget requests submitted by MASC are outlined below, as well as the project prioritization ranking, governor's recommendation, and governor's planning estimates. A 2023 Facility Condition Assessment of the NSC found issues that are now reaching poor to critical levels. The cumulative deferred maintenance is estimated to be \$82.7 million, with \$58.6 million required to bring the condition back to a fair ranking, which includes costs for the Super Rink, irrigation fields, and the original campus repairs.

Project		Project Requests for State Funds			Gov's Rec	Gov's Planning Estimate	
Project Title	Rank	2024	2026	2028	2024	2026	2028
National Sports Center Asset Preservation (Blaine)	1	\$22,565	\$22,565	\$22,565	\$9,226	\$9,226	\$9,226
Grant Program: Mighty Ducks	2	\$5,000	\$5,000	\$5,000	\$1,000	\$1,000	\$1,000
Grant Program: Mighty Kids	3	\$2,000	\$2,000	\$2,000	-	-	-
Grant Program: Skate Parks	4	\$2,000	\$2,000	\$2,000	-	-	-
Total Project Requests*		\$31,565	\$31,565	\$31,565	\$10,226	\$10,226	\$10,226

*Funds listed in thousands

The National Sports Center Asset Preservation Project was submitted to address a number of these deferred maintenance categories including mold remediation, flood plain mitigation, life safety / energy

efficiency, storm water management, building envelope replacement, water supply replacement, mechanical system replacement, and ADA compliance. The breakdown of the asset preservation funding was requested to be:

- Super Rink R22 changeover: \$12 million
- Dormitory ADA renovation for the Special Olympics: \$10.57 million
- NSC Original Campus asset preservation irrigation: \$2.3 million

While a gap exists between the funding requested and the governor's recommendation, representatives from MASC and the NSC were prepared to adjust the project scope accordingly. Unfortunately, while committee hearings were promising, with less than ten minutes left in the legislative session, the House approved a \$71 million cash-only capital investment bill, which was unable to be heard on the senate floor before the session concluded on May 20. Despite the failure to secure funding, MASC and the NSC remain steadfast in their mission and commitment to address the backlog of deferred maintenance.

The NSC is looking at completing a large capital improvement at the Super Rink for necessary rink plant improvements along with other physical improvements to the rinks and entryway. A committee is being formed with MASC and NSC staff to identify several options in terms of project scope, timing, and funding structures to address critical aspects of the previously identified issues, with a focus on generating improvements to the Super Rink. Current cost estimates to address all deferred maintenance and desired capital improvements to the full design for the Super Rink are identified below.

Capital Improvement Plan - Super Rink	
Refrigeration	
Change from R-22 to Ammonia	\$13,000,000
Piping and Concrete Floors	\$2,700,000
Dehumidification	\$4,500,000
Soft Costs, Engineering & Design	\$2,000,000
New Entrance	\$5,500,000
Bleacher Addition to Rinks 1 & 4	\$1,000,000
Dasher Boards	\$1,000,000
LED Scoreboards and Advertising Boards	\$1,200,000
Electric Zamboni	\$600,000
Sound System	\$600,000
Low E Ceiling	\$300,000
LED Rink Lights	\$200,000

Upper Area Carpet, Tables, Chairs	\$100,000
New Color Scheme	\$100,000
Sub-Total	\$32,800,000
Other Projects	
Geothermal	\$16,000,000
Solar Roof	\$5,000,000

Since early March, city staff have met with representatives from the NSC to discuss the project and financing pursued based on the funding recommendation of the governor. While the size of the project is reevaluated, consistent with the construction of rinks 1-4 in 1998 and rinks 5-8 in 2006, the NSC is seeking financial participation from hockey organizations/communities to guarantee the ability to purchase prime ice time in the form of a one-time payment. The ice rights guarantee would be 20 years, starting January 1, 2024, and ending December 31, 2044. While the ice time would need to be paid for annually, this structure has provided the NSC and priority organizations with the necessary long-term commitment needed to operate. The sections below contain the financing for:

- Construction of rinks 1-4
- Construction of rink 5-8
- Renovation of rinks 1-8 (as proposed during the legislative session)

Phase 1 - 1998

1998-2023 NSC Super Rinks 1-4 Construction: Total Cost = \$12 million

The original four sheets at Super Rink were a combined project of the Minnesota Amateur Sports Commission (MASC), National Sports Center Foundation (NSCF), City of Coon Rapids, City of Blaine, City of Shoreview, City of Arden Hills, City of Mounds View, City of New Brighton, Ramsey County and Anoka County. In 1998, the original consortium partners contributed \$500,000 per rink, totaling \$2 million.

Direct Contributions:

Entity	Direct Contribution	Mighty Ducks Grant
City of Blaine	\$500,000	\$250,000
City of Coon Rapids	\$500,000	\$250,000
Ramsey County	\$500,000	\$250,000
Centennial / MASC	\$500,000	\$250,000
Total	\$2,000,000	\$1,000,000

Bonds - Provided through Anoka County and repaid by NSC through user fees: \$10,000,000

Phase 2 - 2006

2006-2026 NSC Super Rinks 5-8 Construction: Total Cost = \$10 million

The additional four sheets were a combined project of MASC, NSC, Bethel University, Blaine Youth Hockey Association, Centennial Youth Hockey Association, and the Herb Brooks Foundation. The financial contribution of these partners averaged \$1 million per rink, totaling \$4 million.

Direct Contributions:

Entity	Direct Contribution
Sale of Columbia Arena	\$3,000,000
Blaine Youth Hockey	\$1,000,000
Centennial Youth Hockey	\$1,000,000
Total	\$5,000,000

Bonds - Provided through Anoka County and repaid by NSC through user fees: \$5,000,000

Phase 3 - 2026

2026-2046 NSC Super Rinks 1-8 Renovation: Total Cost = \$38 million (Structure prior to end of legislative session)

Direct Contributions:

Entity	Direct Contribution
State of Minnesota Bonding	\$9,000,000
Blaine Youth Hockey*	\$750,000
SLP Youth Hockey*	\$600,000
Centennial Youth Hockey	\$300,000
Mounds View Youth Hockey	\$600,000
Total	\$11,250,000

Combination of conduit bonds and private financing - Repaid by NSC through user fees: \$26,750,000

Around the same time conversations began with the NSC, both Blaine (\$750,000) and Spring Lake Park Youth Hockey (\$600,000) associations approached City staff inquiring about the City assisting in their one-time lump sum contributions related to the renovation project. The contribution requested of each organization is proportional to the number of annual ice hours being guaranteed. General dialog from the youth associations has noted:

- Tight finances of Spring Lake Park Youth Hockey, which is currently unable to meet the financial need with existing resources
- Complex scheduling and financing with two facilities in use by both youth associations (Super Rink and Fogerty Arena)
- Subsidies exist from other City or School District-operated ice arenas in the metro-area for the many similarly sized associations
- The most recent direct contribution from the City to the Super Rink was \$500,000 for the construction of the first four rinks in 1998

While the project is likely delayed due to the outcome of the legislative session, the request for local participation from the NSC will remain in their financing model. The tentative payment schedule for priority partners calls for three equal installments in September 2024, January 2025, and March 2025. This timeline is important given the City's budgeting and statutorily defined levy setting process. With both youth associations available to all students located within school boundaries, the residency of participants for the most recently completed season is provided below.

Player City	BYHA		SLPYH	
	Count	Percent	Count	Percent
Blaine	405	62%	199	78%
Ham Lake	209	32%	4	2%
Coon Rapids	28	4%	3	1%
Fridley	-	-	22	9%
Spring Lake Park	-	-	16	6%
Andover	1	<1%	3	1%
Anoka	2	<1%	1	<1%
Lino Lakes	-	-	2	<1%
Crystal	-	-	2	<1%
Brooklyn Center	-	-	1	<1%
Brooklyn Park	1	<1%	-	-
East Bethel	1	<1%	-	-
Isanti	-	-	1	<1%
Maple Grove	1	<1%	-	-
Mounds View	-	-	1	<1%
Oak Grove	1	<1%	-	-
Ramsey	-	-	1	<1%

Total	649	100%	256	100%
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Representatives from the NSC have also inquired about the willingness of the City/EDA to provide conduit debt financing for this project. While the NSC is unsure if this will be needed, this tool may serve useful pending the recommended outcome of their task force. The EDA has previously provided conduit debt to the NSC, most recently in [2019 for the sports dome project](#) and [2011 to construct the sports and exhibit hall](#).

Conduit debt obligations are not a charge, lien, or encumbrance on the City/EDA, or its general credit / taxing powers. Conduit bonds are initiated and issued for the benefit of private entities, generally to support the construction of affordable housing, health care facilities, and other nonprofit ventures. Other conduit debt deals the City / EDA has participated in include:

- [2020 - Refunding of existing debt for Fogerty Arena](#)
- [2017 - Financing related to the construction of the Legends of Blaine through Dominion](#)
- [2016 - Financing related to the construction of Blaine University Townhomes through Anoka County Community Action Program](#)

Staff Recommendation

Questions for Council

Does the Council support providing funding to the National Sports Center to support capital improvements at the Super Rink which will guarantee Blaine Youth Hockey and Spring Lake Park Youth Hockey priority for securing prime ice time for the next 20 years?

If the Council desires to provide financing:

- What amount?
- How should funding be determined to ensure an equitable allocation?
- What City funds should be utilized for this project?
- Should the City move forward with the intent of providing conduit debt financing?

Attachment List

None



City of Blaine Staff Report

File Number: 2024-275

Agenda Date	Status
July 1, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Dan Retka, Fire Chief

Agenda Item # 3.3

SBM Fire Department - Quarterly Update

Background

Chief Retka will provide City Council with a quarterly update.

Staff Recommendation

Questions for Council

Attachment List

None