City of Blaine
City Council Workshop

August 19, 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. 2024-350 105th Redevelopment Updates/Discussion
Sponsors: Erik Thorvig, Community Development Director

3.2. 2024-346 2025 Budget - General Fund Budget and City/EDA Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

4. Other Business

5. Adjournment

City of Blaine
Staff Report

File Number: 2024-350

Agenda Date	Status
August 19, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.1

105th Redevelopment Updates/Discussion

Background

The City Council last discussed the project at the July 8, 2024, workshop. Below is additional information for discussion purposes that has been worked on since the July 8 workshop.

Infrastructure and Event Stadium Financing

The developer has identified estimated costs related to the right-of-way construction, utilities, infrastructure, public space/landscaping, site work and demolition for the east and west portions of the district as follows:

West District - $13,010,000
East District - $12,220,000
TOTAL - $25,230,000

The developer anticipates receiving actual bids for the horizontal work the week of August 12. This will memoralize the actual costs.

The developer desires to begin construction of the West District infrastructure in the fall of 2024. Activity in the East District which may begin in 2024 include demolition, utilities, and site preparation, with a majority of the work occurring in 2025.

The most common financing mechanism for redevelopment areas such as this is tax increment financing (TIF). TIF utilizes property taxes generated by new development in the redevelopment district to fund various improvements within a district. Common uses of TIF include:

- Site acquisition
- Cleanup of hazardous substances, pollution or contaminants
- Site preparation such as building demolition and construction of utilities, roads and sidewalks.

- Parking facilities

Based on development projections in the East District where a new redevelopment TIF district could be created, it is estimated that approximately $28,290,000 in TIF would be available to finance various qualifying activities listed above. Up to 25% of the TIF proceeds ($7,070,000) can be spent outside the TIF district. The West District was included in the tax abatement area to finance the turf fields and cannot be included in a TIF district. Therefore, only 25% of the TIF proceeds can be utilized in the West District for infrastructure improvements. Based on this information, there is sufficient TIF revenue to fund activities in the East District, however a shortage in the West District.

Due to the shortfall of available TIF that can be utilized in the West District, alternative scenarios have been discussed. The City and development team are analyzing a scenario where the bond for the event stadium would be increased from $34MM to approximately $40MM to finance improvements to the event stadium and other infrastructure in the West District. Revenue sources to repay the bond would still include developer lease payments to repay the event stadium portion and then a combination of eligible TIF and/or excess abatement revenue that may be generated from the West District. In previous workshop discussions, it was noted that there is an expectation that additional tax abatement revenue will occur as a result of higher than projected development values in the West District. Excess abatement revenues can be utilized to pay debt service from higher bond issuance. If excess abatement revenue doesn't exist, TIF proceeds can be utilized to pay the higher debt service.

The EDA is actively negotiating with property owners to complete acquisition of the remaining three parcels. The EDA does not have enough existing cash-on-hand to complete purchases if they occur in 2024/early 2025. TIF bond sale proceeds are an eligible use of funds for site acquisition. If TIF bonds are sold in 2024, the City would be reimbursed for the acquisition of 2043 105th Avenue and have additional cash-on-hand to fund additional purchases. An appraisal is being completed to determine the value of the city/EDA owned land that will be sold to the developer. Land sale proceeds would replenish EDA funds balances in the future.

These funding sources would provide significant advancement in the early phases of the development including the event stadium, all project infrastructure (roads, utilities, etc.), public spaces, demolition, final property acquisitions and replenishment of certain EDA expenses that have occurred for the project, including property acquisition and reimbursable costs for design.

Anticipated City Council Consideration Timelines

- Establishment of Tax Abatement District for West Infrastructure and Event Stadium Financing - September 2024
    - Approval of this financing structure requires finalizing items identified in the May 20, 2024, resolution adopted by the city council related to financing.
- Establishment of Tax Increment Financing District - October 2024
- Sale of TIF Bonds - October/November 2024
- Sale of Abatement Bonds - Still be analyzed based on developer cash-flow analysis and event stadium construction

General Project Updates

National Sports Center Fields

The National Sports Center finished construction of the turf fields south of 105th Avenue prior to the USA CUP. They started construction of the turf fields north of 105th Avenue the Monday after the USA CUP, and they are anticipated to be completed in 2024.

Property Purchases

Closing occurred for 2043 105th Avenue on August 9. Closing occurred for 2190 106th Lane on August 1. The developer, city staff and city attorney met on August 7 to discuss the process for completing the remaining three acquisitions. It is anticipated a closed session will occur in September to discuss next steps.

DEED Redevelopment Grant

Staff submitted a grant application to DEED on August 1. The grant application amount is $400,000 for demolition of buildings within the redevelopment area.

Zoning Entitlements

A final plat for the West District is on the August 19 regular meeting agenda. A Conditional Use Permit (CUP) application was submitted for the event stadium. Staff is working with the developer to determine when this will be considered by the Planning Commission and City Council.

Master Development Agreement

A master development agreement has been prepared by Eric Larson and has been reviewed by the development team. Various revisions to the document will occur based on negotiation back and forth. The master development agreement will be considered by the City Council at a meeting in September. Eric Larson will provide details of the master development agreement at the workshop.

Staff Recommendation

Discuss the information and provide feedback/ask questions.

Questions for Council

Attachment List

None

City of Blaine
Staff Report

File Number: 2024-346

Agenda Date	Status
August 19, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director, Nikki Beckers, Finance Analyst

Agenda Item # 3.2

2025 Budget - General Fund Budget and City/EDA Property Tax Levy

Background

Staff will provide a presentation on the initial General Fund and Economic Development Authority (EDA) budgets as well as preliminary levy options, which include funding for capital improvements and debt service. Another council workshop is scheduled to address any outstanding questions to prepare for adoption of the 2025 preliminary levy, which will come before the Council on September 16.

This first formal workshop regarding the 2025 operating budgets and property tax levy is intended to begin the annual process of aligning City Council priorities with financial resources to provide Blaine property owners, residents, and visitors with quality city services at a responsible tax level. While this discussion is very preliminary, with many assumptions, it will help set expectations for staff and create a more efficient budgetary process while striving for outcomes that align with Council goals. In order to present this information, it will be broken down into baseline assumptions, department requested enhancements, and new positions.

As the budgeting process began, staff was asked to adhere to the following principals as a guide:

- Evaluate and acknowledge both the short and long-term impacts of all budgetary decisions
- Stabilize revenues and expenditures, and eliminate unanticipated variances
- Fund operations at a level to provide quality services at a reasonable cost
- Preserve structural balance and appropriate fund balance levels to mitigate future risks
- Consider additional investments when they help achieve City goals and provide a significant return to the community
- Seek to make a connection between resources and results

Because this document is being prepared in early August, many assumptions continue to be made based on trends in prior years' financial performance. Several factors may impact the final budget, including legislative changes, state mandates, economic shifts, and union negotiations. Assessed values for taxes payable 2025 are not final but estimated figures have been provided by the Anoka County Property Tax Department for preliminary tax calculations. Additionally, metro-wide fiscal disparity information isn't anticipated until sometime in late August, so staff utilized recent trends to generate assumptions for this data.

City-Based Budget and Levy

Significant assumptions and factors impacting the baseline department requested 2025 city-based budget / property tax levy include:

- Removal of one-time expenditures and revenues from the 2024 budget to the 2025 budget
- No new initiatives or programs not already provided for within the 2024 budget
- Proposed progression through the city's compensation plan for union and non-union employees as well as a three percent cost of living adjustment
- Increased contributions to full-time benefit eligible employees' insurance coverage / cafeteria plan
- Funding to further address the operation of the City's internal service functions, including Worker's Compensation, Self-Insurance, and Facility Funds
- Inflationary impacts on commodities, supplies, and professional services
- Additional capital levy to assist in pre-funding capital equipment to reduce future debt requirements
- Increased debt service levy to support the city's street improvement program.
- Implementation of an Enterprise Asset Management System (EAMS) to improve management of resources, coordination of work, and community responsiveness
- Bonding in 2024 to finance transportation improvements and capital equipment purchases; new tax levy in 2025 to support debt service

Council members were invited to participate in two rounds of small group discussions between May 13-29 and July 16-23. The first round of meetings centered around known changes and assumptions based on recent trend data. The second round of meetings was conducted after departments submitted their baseline budgets, based on the direction to hold existing services flat. The baseline 2025 budget/tax levy as presented is generally consistent with the information shared at the second round of small group discussion. A detailed breakdown of the factors impacting the 2025 property tax levy is attached to the agenda item.

City Tax Levy and Potential Scenarios

2024 City Base Levy and 2025 Scenarios					
Levy	2024 Levy	2025 - Scenario 1	2025 - Scenario 2	2025 - Scenario 3	2025 - Scenario 4
General Fund	$36,385,585	$39,610,505	$39,610,505	$39,610,505	$39,610,505
Transportation (PM)	100,000	250,000	250,000	250,000	250,000

Capital Equipment	100,000	500,000	500,000	500,000	500,000
Parks & Trails	-	500,000	500,000	500,000	500,000
SBM Capital Equip.	-	569,752	569,752	569,752	569,752
Debt	6,324,015	7,513,450	7,513,450	7,513,450	7,513,450
105th Ave Abatement	-	505,200	505,200	505,200	505,200
2 Additional Officers	-	-	306,000	306,000	306,000
3 Additional FTE	-	-	-	450,000	450,000
Operational Requests	-	-	-	44,000	203,000
2.5 Additional FTE	-	-	-	-	335,000
Total	$42,909,600	$49,448,907	$49,754,907	$50,248,907	$50,742,907

Economic Development Authority Budget and Levy

Acting as a separate taxing authority, the Economic Development Authority (EDA) has leveraged its cash position and financial resources in recent years to advance the strategic goal tied to the 105th Avenue Redevelopment Area. While much of the property within the targeted redevelopment area has been acquired, the majority of this property is located on the east side of the project area, which is anticipated to be developed as a second phase. The master developer has also indicated a desire to close the property as development commences, and if included in the Master Development Agreement, would likely mean proceeds being returned to the City starting in 2027 or 2028.

The EDA tax levy was increased from $750,000 to $1,000,000 in 2023 to provide funding for capital related projects including land acquisition, development assistance, and supporting redevelopment activities. While the baseline 2025 EDA operating budget aligns closely with prior years, the Board may consider increasing the preliminary EDA levy and dedicating that increase for targeted development/redevelopment initiatives. This additional funding will help bridge potential opportunities should they arise in the near future and before the EDA is reimbursed for property within the 105th Redevelopment Area.

Economic Development Authority Tax Levy and Potential Scenarios

2024 EDA Base Levy and 2025 Scenarios					
Levy	2024 Levy	2025 - Scenario 1	2025 - Scenario 2	2025 - Scenario 3	2025 - Scenario 4
Operating	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Capital	-	-	100,000	150,000	200,000

Total	$1,000,000	$1,000,000	$1,100,000	$1,150,000	$1,200,000

Significant Upcoming Dates

- September 4 City Council Workshop: Discuss Preliminary Levy
- September 9 City Council Workshop: Discuss Preliminary Levy (if needed)
- September 16 City Council Meeting: Set Preliminary Levy
- December 16 City Council Meeting: Set Final Levy

(additional dates will be scheduled between preliminary and final levy based on Council guidance)

State statute requires local governments to adopt a preliminary levy by September 30. After that approval, the preliminary budget can still be changed and the levy can be reduced, but not increased, prior to adopting the final budget and levy in December. Best practice is to adopt a preliminary levy that provides adequate flexibility for the council to react to changing economic conditions and needs of the community.

Staff Recommendation

Questions for Council

Are there any questions regarding the various levy scenarios?

Is there a consensus regarding the appropriate tax levy/amount of taxes paid by the median valued property to support City operations for 2025? As a reminder, the final tax levy adopted in December may not exceed the preliminary levy set in September.

If the tax levy supported by Council is less than the amount needed as outlined in the preliminary budget, are there specific adjustments Council supports to meet the levy goal?

What additional information is requested before the Council is asked to adopt a preliminary levy on September 16?

Attachment List

1. 2025 Budget Presentation - Aug 19 2024
2. 2025 Property Tax Levy Preview - Aug 19 2024

2025 Budget – General Fund City and EDA Property Tax Levy

City Council Workshop| Finance

08/19/2024

Agenda

1. Budgetary Principles and Objectives
2. Timeline and Definitions
3. Market Value Trends
4. Property Tax Drivers and Comparisons
5. Preliminary Budget Highlights
6. Base Levy and City Manager Recommendations
7. EDA Levy
8. Discussion

Strategic Planning

- In early 2023, the city engaged in a strategic planning process to update existing priorities that were established in 2020
- The plan consists of six strategic priorities - the issues of greatest importance to the city over the next four years
- ***The strategic priorities serve as a roadmap, ensuring proposed investments reflect council policy direction***

City of Blaine Core Services

Public Safety

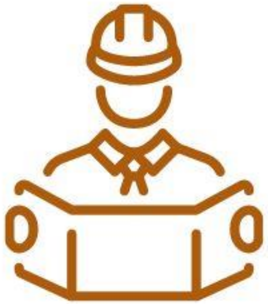
Public Works

Parks and Recreation

Community Development

Financial Oversight

Administration



Engineering

Budgetary Principles

- Evaluate and acknowledge both the short and long-term impacts of all budgetary decisions
- Stabilize revenues and expenditures, and eliminate unanticipated variances
- Fund operations at a level to provide quality services at a reasonable cost
- Preserve structural balance and appropriate fund balance levels to mitigate future risks
- Consider additional investments when they help achieve City goals and provide a significant return to the community
- Seek to make a connection between resources and results

Prioritized Objectives

- Focusing on essential city services & funding these activities adequately
- Sustaining high quality city operated public safety departments
- Investing in modern technology to improve services & increase efficiency
- Continuing to fund annual street reconstruction & maintenance projects
- Enhancing city parks, trails, & open spaces
- Fostering an efficient & transparent government
- Promoting citizen engagement
- Incorporating Council adopted Strategic Priorities
- Maintaining "AAA" credit rating

General Property Tax Timeline

January

Property values are established for next year's taxes

February

Value notices are mailed

March

Property tax statements are mailed for current year

May

1st half of property taxes due to Anoka and Ramsey Counties

September

Preliminary levies must be set by all taxing authorities for next year

November

Proposed tax statements are mailed; 2nd half property taxes due to Anoka and Ramsey Counties

December

Final levies must be set by all taxing authorities for next year

Definitions: Property Tax Values, Levies and Tax Rates

Levy is the imposition of tax, usually by a local unit of government.

Market Value is an assessed value determined by the County's Assessors Office. Market value is defined as the usual selling price at the time of assessment.

Market Value Exclusion for most homestead properties, market value minus the homestead market value exclusion equals the taxable market value of the property.

Class Rate is the percent of market value, set by state law, based on use and property type that establishes a property's tax capacity which is subject to property tax.

Net Tax Capacity (NTC) is derived by multiplying class rates by taxable market value and is the tax base used for levies other than most referendum levies.

Median Value Residential Property is the commonly used example for property taxes and their effects. The median value is considered a stronger representative of the data than the mean or average.

Minnesota Department of Revenue Glossary - https://www.revenue.state.mn.us/glossary

Why Do Property Taxes Change?

- Fluctuations in Market Values
- Changes in Non-Levy Revenue Sources
- Fiscal Disparities
- Levies at Various Jurisdictions
- Debt Issuance
- Special Assessments
- Voter Approved Referendums
- Changes in State & Federal Mandates
- State Legislative Changes

Common misconception:
Tax levy increases are directly correlated to new spending

Assessing Responsibility and Process

Anoka and Ramsey County provide assessing services for Blaine. Current values are very preliminary and will continue to change until final tax statements are issued

Minnesota statutes establish specific requirements for the assessment of property. The law requires that all real property be valued at market value, which is defined as the usual or most likely selling price as of the January 2nd assessment date

The estimated market values established through the 2024 assessment are based upon actual real estate market trends of Anoka and Ramsey County properties from **October 1, 2022 through September 30, 2023**. The 2024 assessed values are then used to calculate taxes payable for 2025

2024 Tax Statement

Statement Includes All Taxing Jurisdictions

- 6. Anoka County
- 7. County Public Safety System
- **8. Blaine**
- 10. SLP School District
- 11. Special Taxing Authorities
  - A. Metropolitan Special Taxing Districts:
    - Met Council, Metro Transit District, Metro Mosquito
  - B. Other Special Taxing Districts:
    - Watershed & Blaine EDA
- 14. Solid Waste Management Charge

Anoka County
Property Records and Taxation
2100 3rd Avenue
Anoka, MN 55303
(763) 323-5400
www.anokacountymn.gov

TAX STATEMENT
2023 Values for Taxes Payable in 2024

Property ID Number: [redacted]

Taxpayer(s):
[redacted]

Property Description:
[redacted]

Property Address:
[redacted]
TCA: 10016A
Owner(s): [redacted]

	VALUES & CLASSIFICATIONS		
Step 1	**Taxes Payable Year:**	**2023**	**2024**
	Estimated Market Value:	323,400	327,700
	Homestead Exclusion:	8,134	7,747
	Taxable Market Value:	315,266	319,953
	New Improvements:		
	Property Classification:	RES HSTD	RES HSTD
	Sent in March 2023		
Step 2	**PROPOSED TAX**		
	Proposed Tax:		3,294.60
	Sent in November 2023		
Step 3	**PROPERTY TAX STATEMENT**		
	First half Taxes:		1,625.25
	Second half Taxes:		1,625.25
	Total Taxes Due in 2024 :		3,250.50

$$$ REFUNDS?

You may be eligible for one or even two refunds to reduce your property tax. Read the back of this statement to find out how to apply.

Taxes Payable Year:		**2023**	**2024**
1. Use this amount on Form M1PR to see if you are eligible for a homestead credit refund. File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. ☐			3,226.48
2. Use these amounts on Form M1PR to see if you are eligible for a special refund.		3,168.24	
Property Tax and Credits			
3. Property taxes before credits		3,168.24	3,226.48
4. Credits that reduce property taxes	A. Agricultural and rural land credits	0.00	0.00
	B. Other credits	0.00	0.00
5. PROPERTY TAXES AFTER CREDITS		3,168.24	3,226.48
Property Tax by Jurisdiction			
6. County	A. General county levy	762.28	820.14
	B. Regional rail authority	9.64	0.00
7. County/municipal public safety system		9.40	0.00
8. City or town		1,002.66	1,066.22
9. State general tax		0.00	0.00
10. School district 0016	A. Voter approved levies	685.40	650.14
	B. Other local levies	574.62	546.02
11. Special taxing districts	A. Metropolitan special taxing districts	59.40	61.04
	B. Other special taxing districts	64.84	82.92
	C. Tax increment	0.00	0.00
	D. Fiscal disparity	0.00	0.00
12. Non-school voter-approved referenda levies		0.00	0.00
13. Total property tax before special assessments		3,168.24	3,226.48
Special Assessments			
14. Special Assessments	A. Solid waste management charge	24.02	24.02
	B. All other special assessments	0.00	0.00
	C. Contamination tax	0.00	0.00
15. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS		3,192.26	3,250.50

2024 Distribution of Taxes Paid by Sample Parcel

Metropolitan Special Taxing Districts
1.9%

ISD 16
36.8%

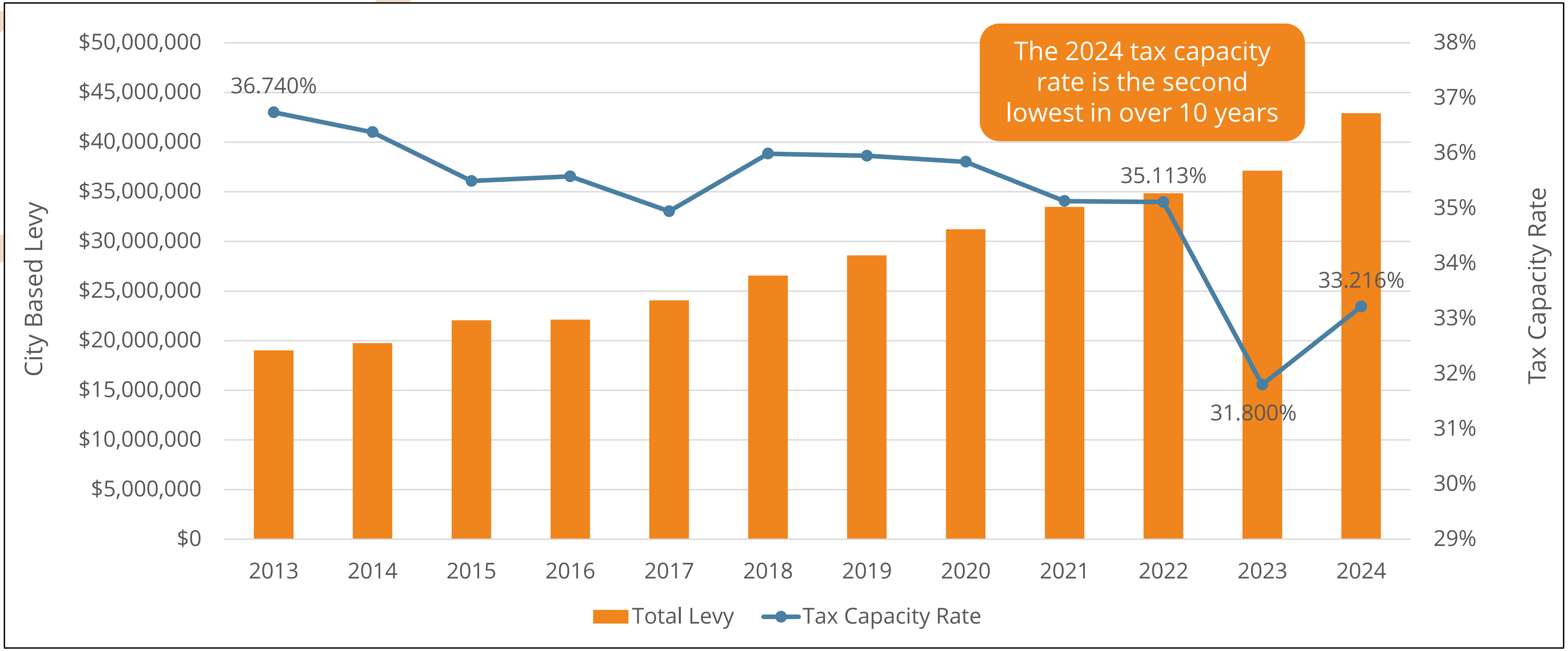
City of Blaine
32.8%

Anoka County
26.0%

Other Special Taxing Districts
2.5%

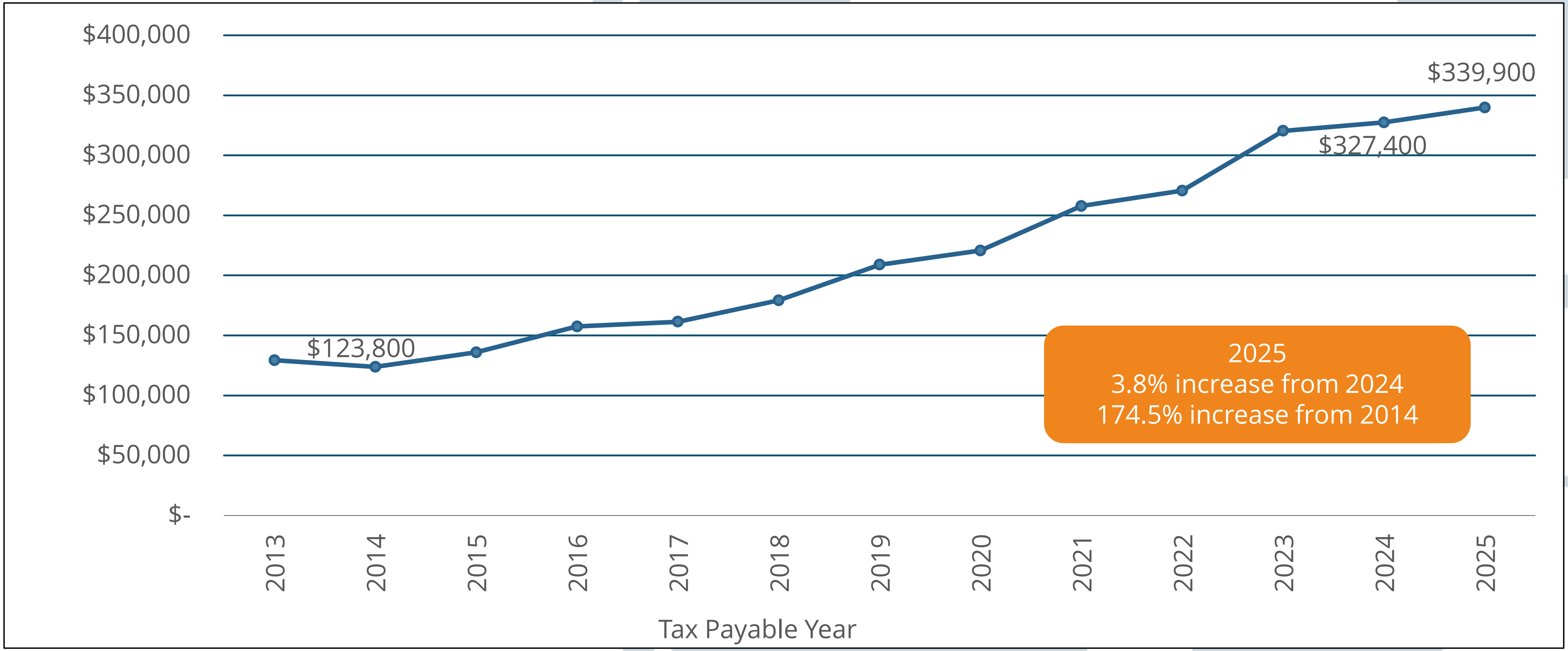
Sample Parcel = $327,700; Located in SLP School District and Coon Creek WSD

Tax Capacity Rate and Total City Levy Trends

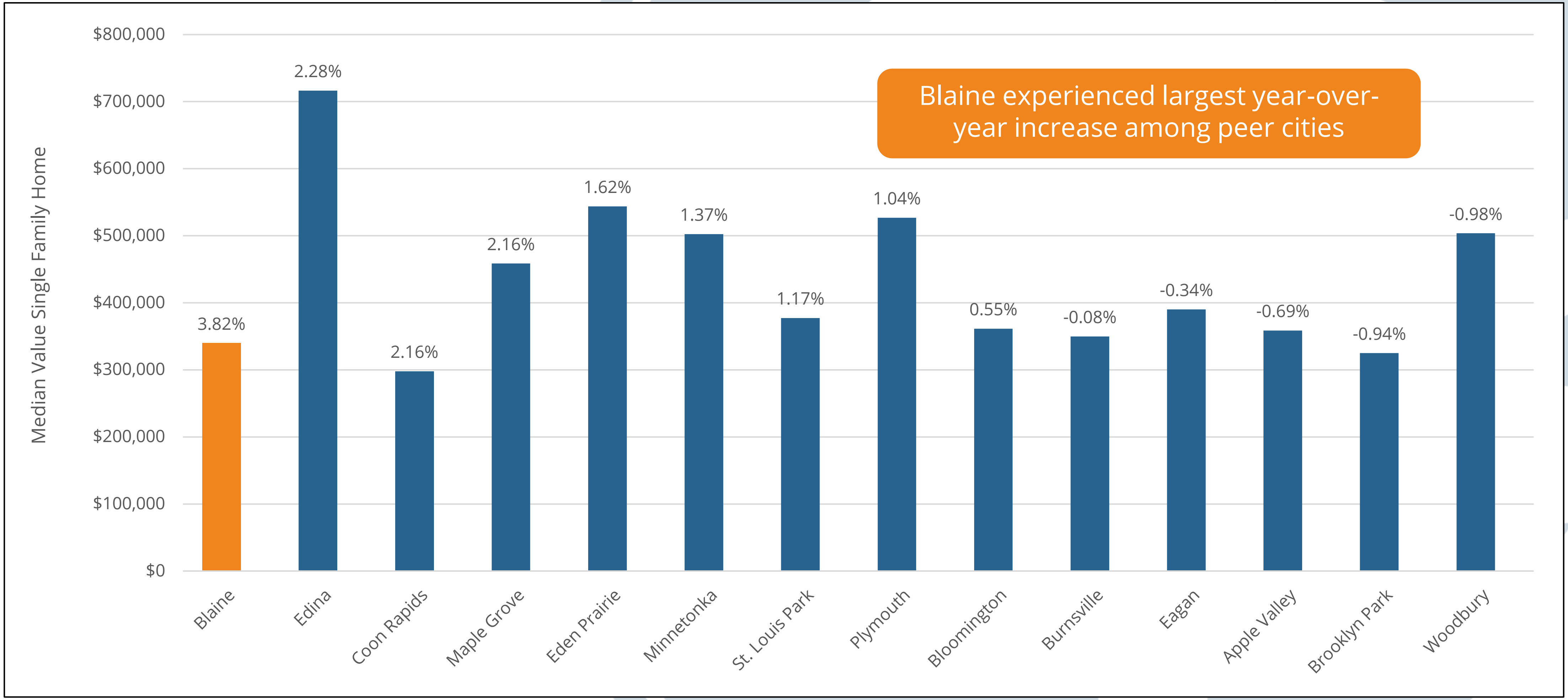


Assessed Estimated Median Value Single Family Home

(Year = Pay Year)



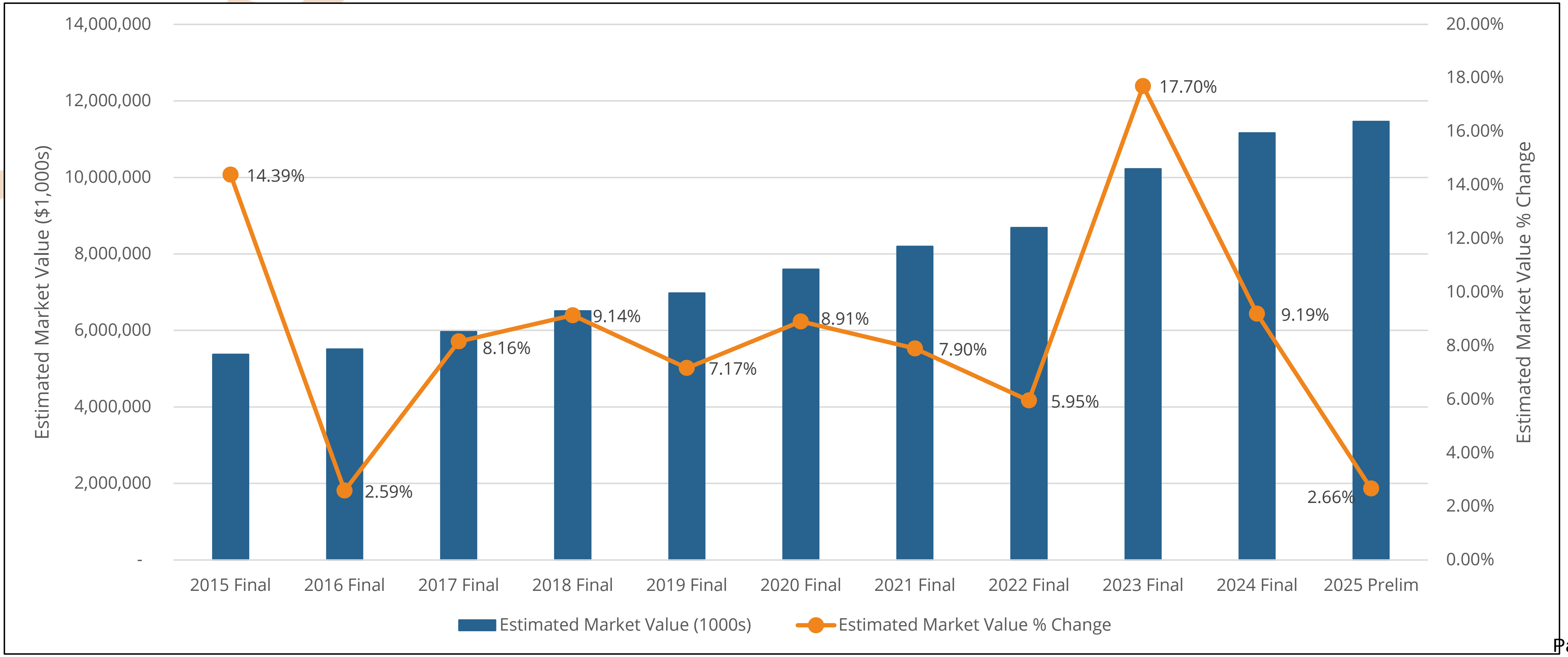
2025 Estimated Median Value Single Family Home & % Change from 2024 (Pay Year)



Blaine Market Valuation Trends

(Pay Year)

While the total value increase slowed for 2025, recent trends remain strong



Slide 16

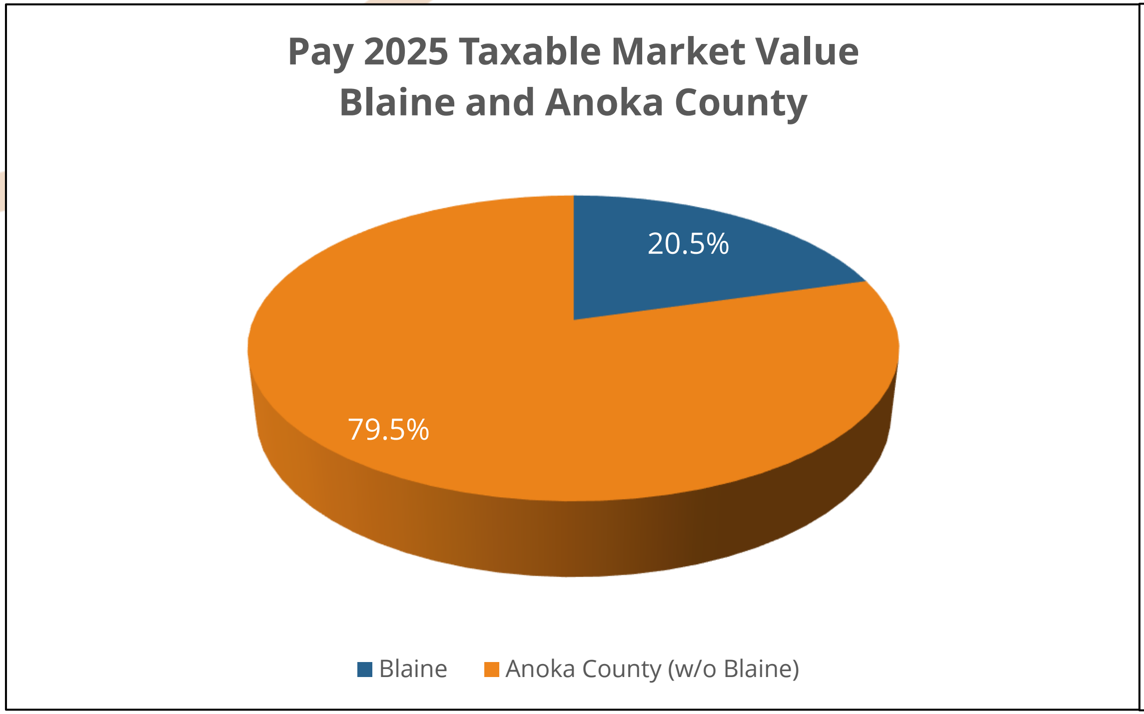
Preliminary Assessed 2024 Pay 2025 Est Market Values

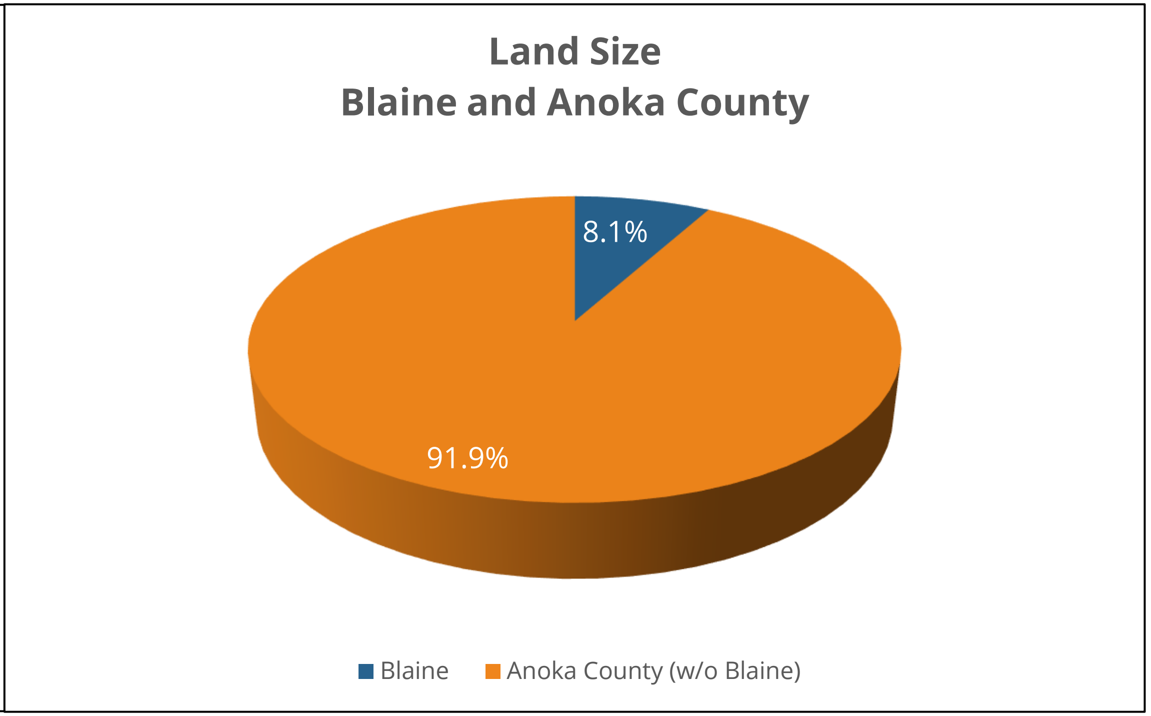
Property Type	'23 pay '24 Total Value	'24 pay '25 Total New Construction	'24 pay '25 Total Appreciation	'24 pay '25 Total Value
Residential*	$8,650,317,400	$14,838,100	$154,434,400	$8,819,589,900
Personal Property	$106,287,900	$0	$3,867,700	$110,155,600
Agricultural	$15,747,200	$0	($245,300)	$15,501,900
Apartments	$590,808,400	$72,697,000	($27,513,000)	$635,992,400
Commercial/Industrial	$1,800,077,500	$45,040,400	$56,937,800	$1,902,055,700
Total	$11,163,238,400	$132,575,500	$187,481,600	$11,483,295,500

** Residential Property includes single-family, duplexes, triplexes, condos and townhomes*
** All data is from 2024 Anoka and Ramsey Counties*

Prelim Pay 2025 Estimated Market Value

Blaine makes up over 20% of Anoka County's EMV while only making up 8% of the total land mass*

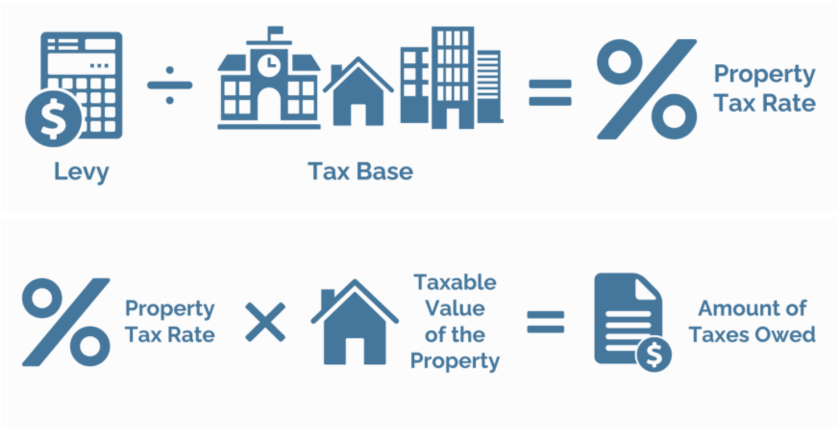




**NSC Campus ≈ 1 mi^2*
**Anoka County Blaine Airport ≈ 3 mi^2*

Understanding Your Property Tax

- Property taxes do not have a set rate like income or sales taxes
- With property taxes, taxing jurisdictions determine the dollar amount to raise from property taxes. This is called the “levy”
- The levy is divided by the total value of the property in the taxing jurisdiction, the “tax base,” to arrive at a tax rate
- The tax rate is multiplied by the value of each individual parcel to determine each parcel’s share of property taxes



Calculating Median Value Single Family Home 2024 Tax Bill

Market Value	Less Market Value Exclusion	= Taxable Value
$327,400	- $7,774	= $319,626

Taxable Value	Times Class Tax Rate	= Property Tax
$319,626	x 33.319%	= $1,065

2024 City Levy Allocation

Monthly Distribution of City Taxes ($88.74)

On Median Value Single Family Property in Blaine - $327,400

Recreation
$2.13

Public Safety
$38.51

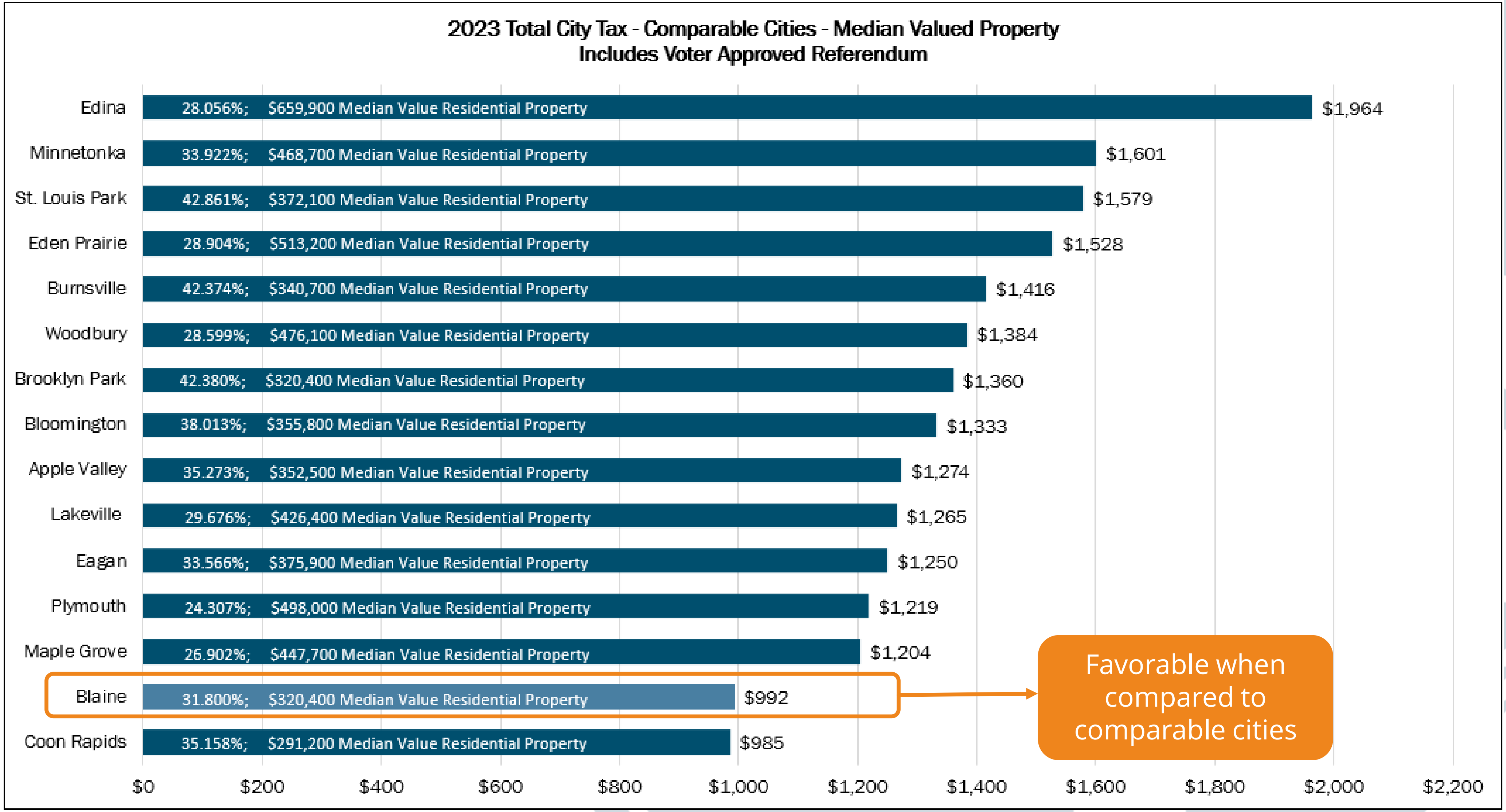
Public Works & Engineering
$18.19

Capital & Debt
$17.57

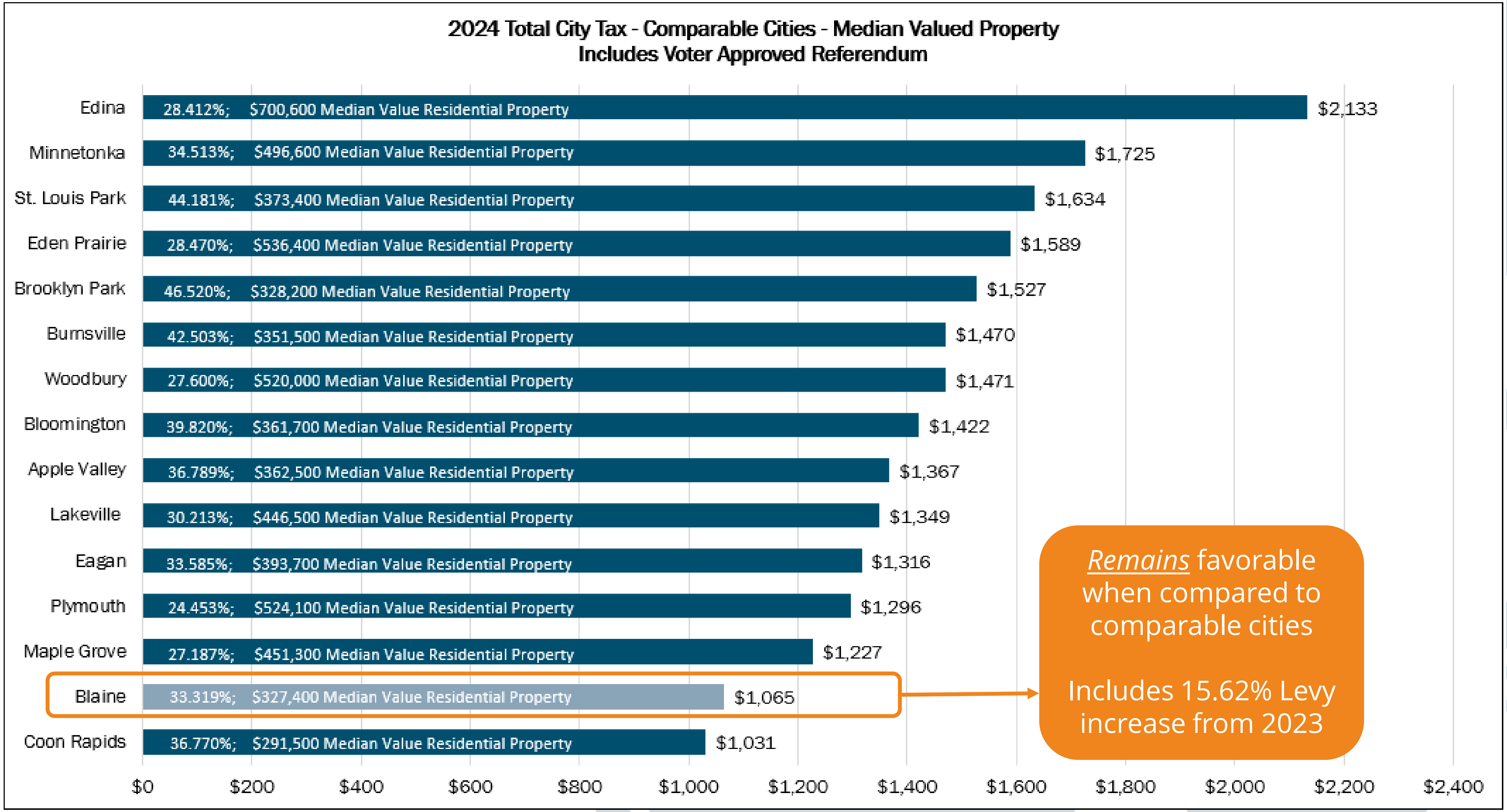
Finance & IT
$6.48

General Gov't
$5.86

Pay 2023 Taxes – Comparable Cities



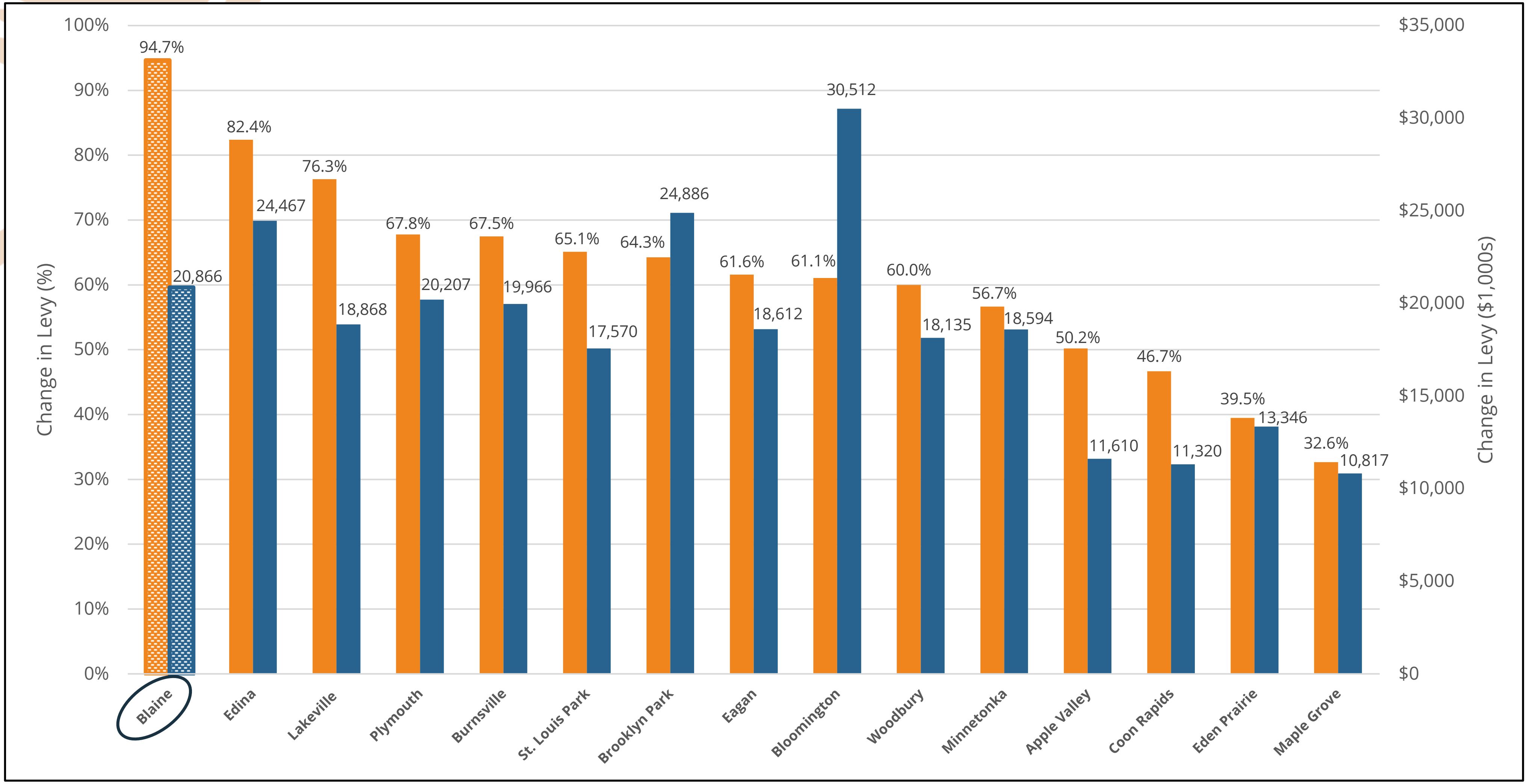
Pay 2024 Taxes – Comparable Cities



Levy Change – 2015 to 2024 Comparable Cities

Despite largest increase in percent change, tax on median single-family home remains very favorable (previous slide)

- Represents total levy change as % and $
- New market value (Construction) to share tax burden
- Legacy of low taxes relative to peer communities



City Manager Guidance

City Budget

- Maintain service levels
- Feasible, reasonable, defensible, and data driven
- Stabilize revenues and expenditures
- Invest in city facilities, equipment, roads, trails, open spaces, and parks
- Annually assess line-item expenses for realignment and adjustments ↑ or ↓

5-Year Staffing Plan

- Organizational needs are reviewed, especially as it relates to service delivery
- Requests are reviewed by the City Manager with a focus on correlating requests to the strategic plan and expected outcomes
- The City benefits from strategically monitoring staffing needs to adjust accordingly to the growing population, anticipated development, and evolving community needs

2025 Proposed Budget Highlights

- Commitment to City Operated Policing
  - Among the largest city operated departments in the North Metro
  - Commitment to leading the market in compensation for licensed officers
- Investment in Fire and Emergency Services
  - Duty crew staffing model & additional full-time staff for Spring Lake Park, Blaine, and Mounds View Fire Department (SBM)
  - Prefunding of core capital equipment, including fire engines and ladders
- Investment in City Facilities, Equipment, Roads, Trails, Open Spaces, and Parks
  - Replacing 3 playgrounds, maintaining 792.48 acres of open space, and improving over 2 miles of trails
  - Continuation of Pavement Management Program with over $8 million in local street improvements
  - Design & reconstruction of Highway 65 with over $200 million in State & Federal Funding
  - Increasing dedicated levy to further prefund the purchase of capital equipment & reduce debt burden
- Promoting Strategic Redevelopment
  - 105th Avenue Redevelopment Area
  - Northtown Planning Study
- Ensuring equitable compensation for all city staff (recruitment & retention)
- Implementation of an Enterprise Asset Management System to improve management of city resources
- No Gas, Electric Franchise Fees, Local Option Sales Tax, or Local Government Aid

Initial Base Levy Assumptions

2024 service levels at 2025 costs

Assumptions

Steps/Cafeteria Plan	Personnel	1,524,000
Self-Insurance/Work Comp/Facilities	Internal Service Fund	782,300
Commodities/Services	Department Requests	863,840
Reduce Engineering Charges	Internal Chargeback	250,000
Misc Revenue Increase	Department Requests	(278,100)
Safe Margin	Policy	82,880
Capital	Projects/Equipment	1,619,752
Debt Service/105th Abatement	Debt Levy	1,694,635
	Total	$6,539,307

2025 Budgeted General Fund Revenues

General Fund	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Scenario 1
Operating Revenues							
Taxes	23,991,789	25,899,131	27,948,205	29,298,176	31,234,375	36,385,585	39,610,505
Licenses & Permits	2,771,009	2,298,452	3,000,386	3,207,554	2,952,707	2,823,200	2,777,700
Intergovernmental	1,673,655	1,661,378	1,844,612	1,878,710	2,079,673	1,945,000	1,945,000
Charges for Services	4,212,952	5,047,891	5,625,773	5,602,152	5,348,447	5,109,300	5,183,900
Fines & Forfeitures	262,131	159,705	228,787	201,678	263,017	193,000	193,000
Investment Earnings	255,255	167,010	(180,734)	(750,207)	566,599	150,000	159,000
Miscellaneous	75,367	54,663	60,018	129,845	75,919	163,500	153,500
Other Financing Sources	-	2,792,767	-	23,023	122,807	122,400	122,400
Total Operating Revenues	**33,242,158**	**38,080,997**	**38,527,047**	**39,590,931**	**42,643,544**	**46,891,985**	**50,145,005**
Difference from previous actual/budget		14.6%	1.2%	2.8%	7.7%	10.0%	6.9%

The property tax levy is the primary source of revenue for the General Fund and is directly impacted by changes in expenditures

2025 Budgeted General Fund Expenditures

General Fund	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Scenario 1
OPERATING EXPENDITURES							
Legislative	438,304	427,695	447,585	462,763	460,109	475,163	536,981
Administration	2,050,086	2,123,185	2,072,359	2,489,169	2,642,225	3,055,883	3,206,661
Finance & IT	2,467,813	2,634,756	2,852,401	3,030,919	3,207,501	3,712,785	3,837,155
Safety Services	12,595,001	13,216,729	14,120,231	15,322,128	17,369,766	20,402,622	21,662,095
SBM Fire Services	2,084,960	2,202,928	2,201,800	2,281,120	2,361,784	2,598,085	2,731,464
Public Works	6,474,820	5,966,292	6,420,663	7,135,658	7,863,921	9,039,867	9,697,659
Engineering & GIS	1,307,910	1,386,735	1,523,036	1,697,749	1,884,954	2,110,861	2,282,855
Recreation	1,090,053	864,960	1,175,472	1,409,447	1,560,596	1,617,958	1,794,985
Community Development	2,168,645	2,172,361	2,191,429	2,559,352	2,657,734	2,937,883	3,067,092
General	426,092	450,400	411,687	431,083	436,319	623,758	928,058
Transfer - Excess Fund Balance	2,450,000	1,700,000	6,275,000	3,400,000	1,500,000	-	-
Total Operating Expenditures	**33,553,684**	**33,146,041**	**39,691,663**	**40,219,388**	**41,944,909**	**46,574,865**	**49,745,005**
Difference from previous actual/budget		-1.2%	19.7%	1.3%	4.3%	11.0%	6.8%

44% of the overall increase is related to public safety (Police, Fire, Community Standards)

Alternate Revenue Sources – Comparable Cities

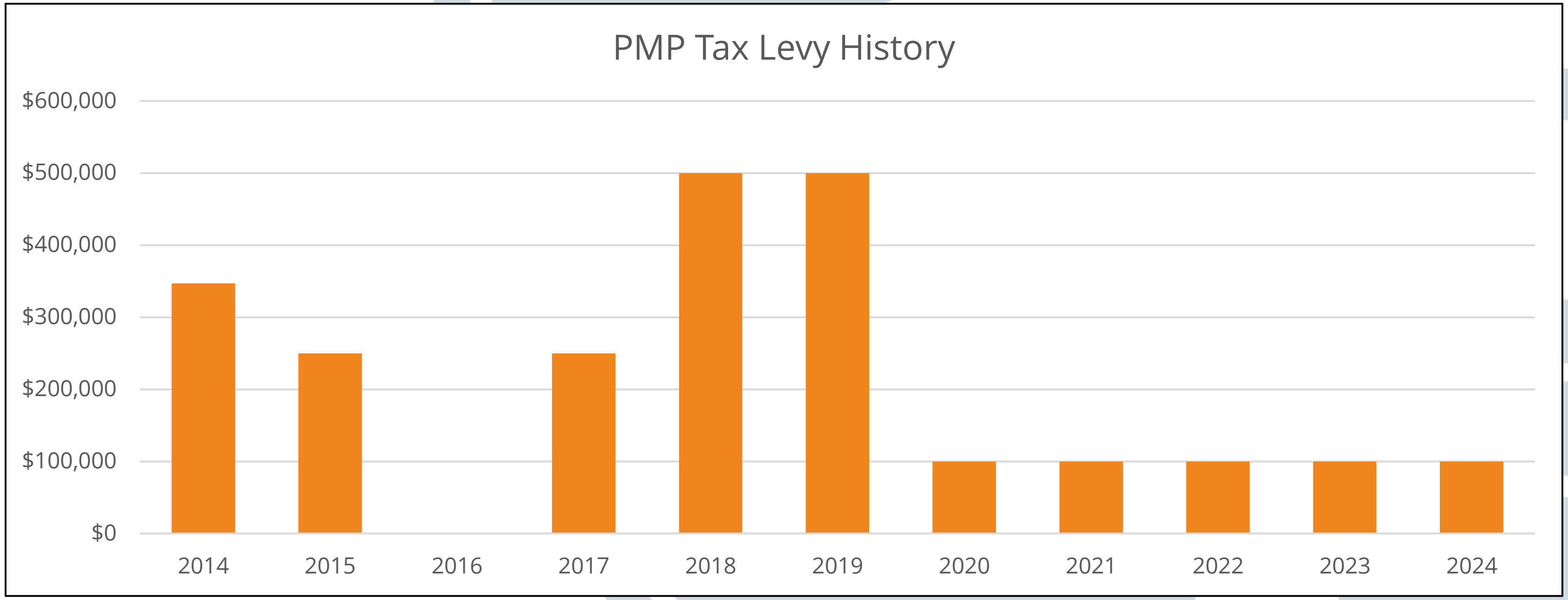
City	Local Government Aid (2025)	Electric Franchise Fee - Residential	Gas Franchise Fee - Residential	Local Option Sales Tax	Street Light Residential Quarterly Fee (2024)	Municipal Liquor Transfer (2023)
Apple Valley	No	2.00%	No	No	$7.50	$1,850,000
Blaine	**No**	**No**	**No**	**No**	**No**	**No**
Bloomington	No	$5.95	$5.95	0.50%	No	No
Brooklyn Park	$917,834	$7.00	$7.00	No	$12.65	No
Burnsville	$429,148	$4.00	$4.00	No	$8.85	No
Coon Rapids	$830,406	4.00%	4.00%	No	No	No
Eagan	No	$1.85	$1.85	No	$8.52	No
Eden Prairie	No	$6.50	$4.00	No	No	$800,000
Edina	No	$3.55	$3.55	0.50%	No	$1,000,000
Lakeville	No	No	No	No	$10.12	$3,678,729
Maple Grove	No	No	No	0.50%	$8.34	No
Minnetonka	No	$4.50	$4.50	No	No	No
Plymouth	No	$3.53	$3.53	No	$9.75	No
St. Louis Park	$72,804	$6.75	$6.75	No	No	No
Woodbury	No	$3.25	$1.75	No	$12.80	No

Many other cities rely on other funding sources/taxes/aids to fund government operations

Capital Levy

Capital Levy Background

- Transportation
  - Program was established to fund bituminous overlay projects contained within the Pavement Management Plan (PMP) Fund
  - In 2020 funding was reallocated to the Pavement Maintenance Fund
    - Funding change coincided with timeline to establish robust reconstruction program
  - 2024-2028 CIP indicated desire to fund at $250,000 annually

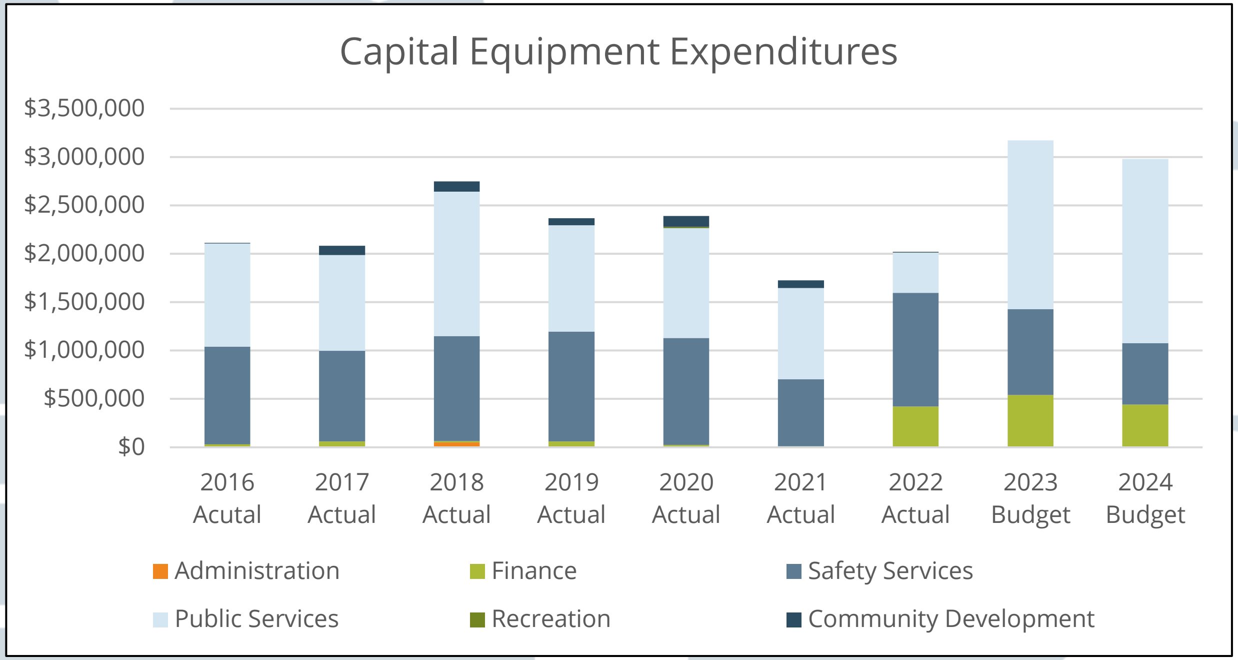


Capital Levy Background

- <u>Parks & Trails</u>
  - Fund was created to provide playground structure replacements at neighborhood parks
  - The first dedicated levy for Parks & Trails was established in 2018
    - Prior funding was solely billboard lease revenue
  - For 2024, the levy was replaced with a transfer from the Strategic Priorities Fund as a stabilization effort
  - 2025 restores the levy back to $500,000

Capital Levy Background

- Capital Equipment
  - Used to account for capital equipment not related to utilities, facilities, or SBM
    - i.e. Police, Community Standards, Building Inspections, Streets and Parks
  - 2024 First Dedicated Levy = $100,000; 2025 Proposed Levy = $500,000
  - Historical Funding Sources:
    - 2005-2009: Unrestricted GF Reserves
    - 2010: Equipment Certificate
    - 2011-2013: Unrestricted GF Reserves
    - 2014: Equipment Certificate
    - 2015: Unrestricted GF Reserves
    - 2016: Reserves & Equipment Certificate
    - 2017-2022: Unrestricted GF Reserves
    - 2023-2024: Equipment Certificates



Capital Levy Background

- SBM Capital
  - Prior to 2021 SBM cities issued bonds for large capital
  - In 2021, Blaine became the financial administrator for SBM Capital Funding
    - Cities agreed to redirect completed debt levies to pre-fund non-station related capital items
  - SBM cities also agreed to deposit 30% of Public Safety Aid that as approved during the 2023 legislative session into this capital account
    - Blaine - $931,819; Mounds View - $172,411; Spring Lake Park - $99,038
  - Proposed 2025 Levy:
    - Blaine – $596,752
    - Mounds View – $121,706
    - Spring Lake Park - $66,742

Debt Levy

Debt Levy Background

- Pavement Management Program
  - Started investing more heavily in pavement management program in 2019
  - Before 2019 around $2M to $4M of debt was issued per year for roads
  - In 2019, the city issued $9.6M for roads and has issued between $9M and $10M per year since
  - Will take 15 years to stabilize debt levy at current annual investment / project scope
  - Pavement management debt levy anticipated to level out in 2034

- Capital Equipment
  - Previously primarily paid for using prior year's general fund savings
  - Annual requests expected to be approximately $4 million per year
  - Will take 5 years to get to stable debt levy for capital equipment
  - Capital equipment debt levy anticipated to level out in 2028
  - Proposed additional Capital Equipment levy will reduce future obligations

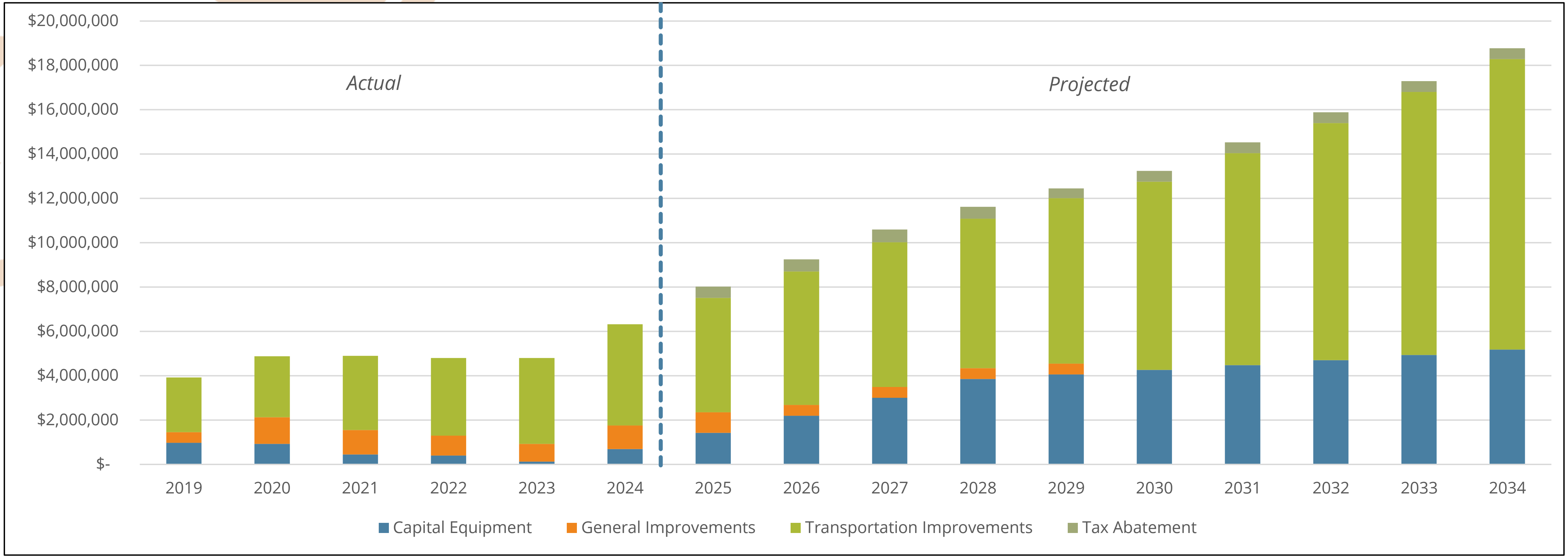
City of Blaine, Minnesota
Standard & Poor's Credit Rating

AAA

- *"Strong budgetary performance, with operating surpluses over the last three years, supporting consistently very strong reserves and overall liquidity."*
- *"Very strong management, with strong financial management policies and practices under our Financial Management Assessment (FMA) methodology…"*
- *"Very strong economy, despite recent changes to the city's former leading taxpayer, Northtown Mall…"*
- ***"Weak debt and contingent liability profile, compared with previous strong levels, due to slightly slowed debt amortization with the addition of Blaine's tentative future debt plans…"***
- *"We expect Blaine will maintain balanced operations while absorbing much of this additional debt, given a significant amount of this debt is expected to be self-supported by utility and other non-levy revenues."*

Debt Levy by Purpose and Levy Collection Year

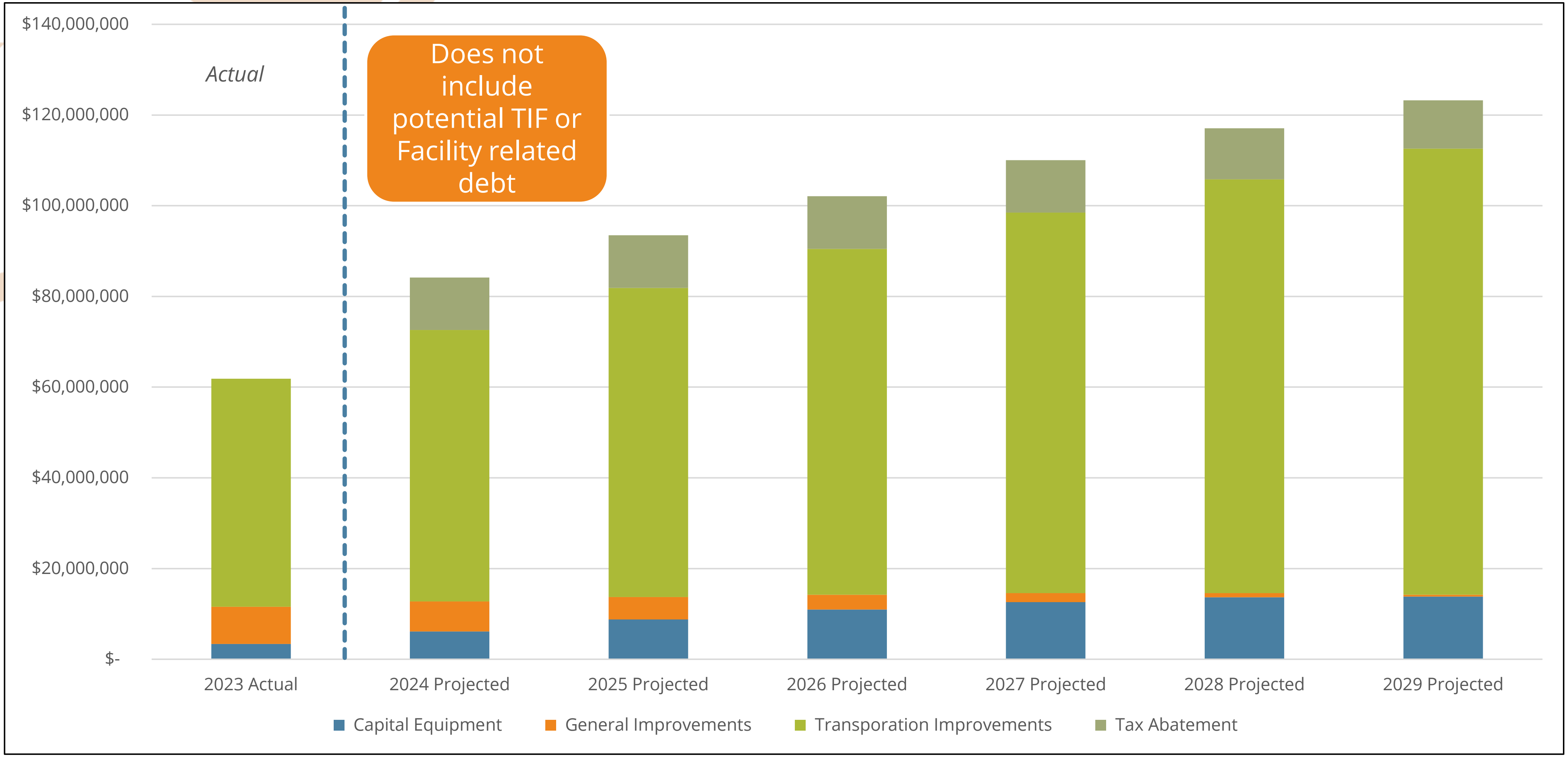
(2019-2024 Historical & 2025-2036 Projected)



2025 actual debt levy is currently unknown and there is no buffer for
- Interest rate change
- Actual assessable portion of projects (currently assumed 25%)

Current & Projected Outstanding Governmental Debt

(2023 Actual & 2024-2029 Projected)



105th Avenue Tax Abatement – Series 2024A

- On May 30, 2024 the City issued General Obligation Tax Abatement Bonds, Series 2024A
  - Turf financing will unlock 16 acres of property on the northeast portion of the MASC/NSC campus for private development
  - Proceeds provide for capital improvements to the NSC property and expands the footprint of the 105th Avenue Redevelopment Area
  - Intent is for new taxes generated by new development to cover debt service, with School District & County participating up to a limit based on new tax base generation
  - 2025 Tax Abatement Levy = $505,200

No matter how the political subdivision implements the abatement, the amount of the abatement is added to the subdivision's property tax levy, which is collected through taxation on all properties in the subdivision, including the parcel receiving the abatement

City-Based Levy Scenarios

Levy Components

- The 10-year average annual levy change (2016 to 2025) is 12.35%
- The debt levy is increasing due to the city's commitment to investing in critical infrastructure
- The capital equipment levy is proposed to assist with prefunding the replacement of vehicles & equipment in lieu of debt

Levy Component	2016 Budget	2024 Budget	2025 Scenario 1	2024 to 2025 % Change	2016 to 2025 10-Year Avg Annual Change
General Fund	19,190,375	36,385,585	39,610,505	8.86%	10.64%
Transportation (Pavement Management)	-	100,000	250,000	150.00%	N/A
Capital Equipment	-	100,000	500,000	400.00%	N/A
Parks and Trails	-	-	500,000	N/A	N/A
SBM Capital Equipment	-	-	569,752	N/A	N/A
Debt	2,936,000	6,324,015	7,513,450	18.81%	15.59%
105th Ave Tax Abatement			505,200	N/A	N/A
Total	**22,126,375**	**42,909,600**	**49,448,907**	**15.24%**	**12.35%**

City Levy Scenarios

Description	Amount	Levy Impact	Levy Increase	Scenario	Levy
2024 Adopted Levy	42,909,600				42,909,600
General Fund Preliminary Requests	3,224,920	7.52%	7.52%		46,134,520
Capital	1,619,752	3.77%	11.29%		47,754,272
Debt Service	1,189,435	2.77%	14.06%		48,943,707
105th Abatement Debt Service	505,200	1.18%	**15.24%**	**Scenario 1**	**$ 49,448,907**
2 Additional Officers	306,000	0.71%	**15.95%**	**Scenario 2**	**$ 49,754,907**
3 Additional FTE	450,000	1.05%	17.00%		50,204,907
Operational Requests	44,000	0.10%	**17.10%**	**Scenario 3**	**$ 50,248,907**
2.5 Additional FTE	335,000	0.78%	17.88%		50,583,907
Operational Requests	159,000	0.37%	**18.26%**	**Scenario 4**	**$ 50,742,907**

New FTE Requests

Department	2025 Requests	2026 Requests	2027 Requests	2028 Requests	2029 Requests
City Manager & Administration	1.0	0.0	1.0	0.0	0.0
Finance & Information Technology	1.0	0.0	0.0	0.0	0.0
Safety Services	6.0	7.0	6.0	5.0	3.0
Public Works	4.0	4.0	3.0	3.0	3.0
Engineering & GIS	0.0	1.0	-1.0	0.0	0.0
Parks & Recreation	0.5	1.0	0.0	0.0	0.0
Community Development	1.0	0.0	0.0	0.0	0.0
City Total	**13.5**	**13.0**	**9.0**	**8.0**	**6.0**

- Staffing plan shared at the July 15 workshop
- Primary focus in Public Safety and Public Works
- 257.5 FTEs authorized in 2024

2025 FTE Requests

Position Title	2025 Request
Community Engagement Specalist	1.0
Accountant	1.0
Training Officer	1.0
DOG Sgt.	1.0
Patrol Lieutenant	1.0
Patrol Officer	2.0
Facilities Manager	1.0
Public Services Worker	1.0
Forester	1.0
Public Services Worker	1.0
Public Services Worker	1.0
Parks & Recreation Receptionist (MAYC)	0.5
Commercial Building Inspector	1.0
City Total	**13.5**

Operational Requests Not In Base Budget

(2019-2024 Historical & 2025-2036 Projected)

Division	Subdivision	Item Details	Amount	Impact To Service Levels/Explanation/Support
Police	Administration	SWAT expense	**$24,000**	Yearly cost to Anoka County Sheriffs Office for SWAT/negotiator members. This is currently paid with public safety funds
Police	Admin Services	CSO squad cameras	**6,000**	Additional Axon cameras for 4 CSO squads. CSO's will start transports to jail which will require squad cameras. This will be a yearly cost
Public Works	Vehicle & Equip Maintenance	Maintenance Costs	**50,000**	Older units more costly to repair (plow trucks), 4 sweepers, yearly maintenance from environmental equipment. Complexity of current vehicles (advanced electronics), some need to be sent out for service and repair. Current equipment have advanced emission systems needing specialized equipment to service
Public Works	Various	Seasonal Help	148,320	Admin front desk help - $10,720; Streets boulevard mowing - $30,000; Park Maintenance - $75,000; Vehicle/Equip Maintenance - $32,600
Public Works	Forestry	Tree Services - Other Contractual	85,000	Dead, diseased, dangerous tree removals, including EAB mitigation
Public Works	Forestry	Tree Services - Consulting	16,500	Forestry for consulting
		Total	**$329,820**	

2025 City Levy Scenarios

	2024 Final Levy	Scenarios for 2025 Preliminary Levy: Scenario 1	Scenario 2	Scenario 3	Scenario 4
General Fund	36,385,585	39,610,505	39,610,505	39,610,505	39,610,505
Capital Equipment	100,000	500,000	500,000	500,000	500,000
SBM Capital	-	569,752	569,752	569,752	569,752
PMP	100,000	250,000	250,000	250,000	250,000
Debt Service	6,324,015	7,513,450	7,513,450	7,513,450	7,513,450
Parks and Trails	-	500,000	500,000	500,000	500,000
Abatement	-	505,200	505,200	505,200	505,200
Levy to Allocate	-	-	306,000	800,000	1,294,000
City Levy	**$ 42,909,600**	**$ 49,448,907**	**$ 49,754,907**	**$ 50,248,907**	**$ 50,742,907**
City Levy % Change	**15.62%**	**15.24%**	**15.95%**	**17.10%**	**18.26%**
City Tax Rate	33.319%	38.263%	38.526%	38.950%	39.374%
Median EMV SFH	$ 327,400	$ 339,900	$ 339,900	$ 339,900	$ 339,900
City Tax Impact	**$ 1,064.88**	**$ 1,239.34**	**$ 1,247.86**	**$ 1,261.59**	**$ 1,275.32**
$ Change	**$ 72.72**	**$ 174.46**	**$ 182.98**	**$ 196.71**	**$ 210.44**
% Change	**7.3%**	**16.4%**	**17.2%**	**18.5%**	**19.8%**

EMV = Estimated Median Value
SFH = Single Family Home
Preliminary figures from Anoka County

Questions for Council

- Are there any questions regarding the various levy scenarios?
- What additional information is requested before the Council is asked to adopt a preliminary levy on September 16?
- Is there a consensus regarding the appropriate tax levy/amount of taxes paid by the median valued property to support City operations for 2025?
  - *As a reminder, the final tax levy adopted in December may not exceed the preliminary levy set in September.*
- If the tax levy supported by Council is less than the amount needed as outlined in the preliminary budget, are there specific adjustments Council supports to meet the levy goal?

Economic Development Authority (EDA)

History of EDA

- In May 1985, the Blaine Housing and Redevelopment Authority (HRA) was established to promote economic development
  - State law empowered HRAs with broad authority to engage in redevelopment and economic development activities
- In December 1988, the Economic Development Authority (EDA) was established to replace the HRA as the vehicle for subsequent economic development activities
  - This allowed for greater flexibility per Minnesota Statute
  - Governed by the City Council
  - City Manager serves as the Executive Director

EDA Background

Primary powers of an EDA

- Set a property tax levy
- Issue revenue and general obligation bonds
- Purchase and sell property for development and redevelopment
- Serve to promote business and to recruit new businesses
- Serve as a financial partner to businesses and non-profits through loans, tax increment
- Tax Increment Financing (TIF) and other financial mechanisms
- Carry out marketing and promotional efforts on behalf of the city

EDA Services

The Blaine Economic Development Division offers a variety of services to businesses, developers, and real estate professionals. Services include:

- Assisting developers in identifying potential sites
- Business retention & expansion visits
- Coordinating redevelopment needs
- Providing information about Blaine development activity
- Identifying public and private development financing alternatives
- Coordinating various city approvals for developments
- Providing staff support to the Blaine Economic Development Authority Board and City Council

EDA Programs and Initiatives

General Programs

3M Tournament Sponsorship

City Monument Signs

Economic Development Programs

Targeted Redevelopment

Fire Suppression Grant

Blaine Business Appreciation Day

Property Holding

EDA Programs and Initiatives

- EDA Wetland Bank
- General EDA Capital Fund
- General EDA Operating Fund

EDA Wetland Bank

- July 2024 cash balance = $0
- In 2025 the EDA established a wetland bank through the restoration of the Blaine Wetland Sanctuary
- The final wetland credits were sold in 2023
- Remaining funds have been transferred to the EDA Capital Fund for consolidation purposes
- Ongoing maintenance for the wetland area is provided through the Open Space Fund (separate & unique)

EDA Capital Fund

- July 2024 cash balance ≈ $100,000
- This fund has been used to account for non-operating activities including land transactions and providing for economic incentives
- Future proceeds from land sales within the 105th Avenue Redevelopment Area will be recorded in this fund
- Authorized assistance for extraordinary development costs within the Southside Entertainment District
  - $1,499,000 in total
  - $224,000 remaining

EDA Operating Fund

- July 2024 cash balance ≈ $1,300,000
- Provides for the routine activities of the EDA
  - Staff costs
  - Business engagement
  - Property holding costs
- Levy increased to $1,000,000 annually in 2023
  - Was $750,000 previously
  - Increased to provide flexibility for future opportunities

	2024 Adopted Budget	2025 Scenario 1	2024 Adopted vs. 2025 Scenario 1	
Beginning Fund Balance	**$ 4,265,433**	**$ 4,266,517**		
REVENUES				
Tax levy	$ 1,000,000	$ 1,000,000	$ -	0.0%
Lodging Tax Fee	5,000	5,000	-	0.0%
TIF Admin Fees	40,000	40,000	-	0.0%
Building Rentals	15,000	14,400	(600)	-4.0%
Investments	80,000	15,000	(65,000)	-81.3%
Other	3,000	3,000	-	0.0%
TOTAL REVENUE	**$ 1,143,000**	**$ 1,077,400**	**$ (65,600)**	**-5.7%**
EXPENDITURES				
Operating				
Personal Services	$ 195,666	$ 203,571	$ 7,905	4.0%
Supplies	700	500	(200)	-28.6%
Contractual Services	7,000	7,000	-	0.0%
Other	-	-	-	N/A
Programs				
3M Tournament	122,000	130,000	8,000	6.6%
City Monument signage	-	-	-	N/A
Economic Development Programs				
Targeted Redevelopment	250,000	250,000	-	0.0%
Fire Supression Grants	35,000	25,000	(10,000)	-28.6%
Business Appreciation	30,000	15,000	(15,000)	-50.0%
Property holding costs	83,000	65,000	(18,000)	-21.7%
Dues, subscriptions, training	9,600	9,000	(600)	-6.3%
Gen Fund Admin Fees	407,900	448,800	40,900	10.0%
Facilities Maintenance	920	1,015	95	10.3%
Facilities Replacement	130	143	13	10.0%
TOTAL EXPENSES	**$ 1,141,916**	**$ 1,155,029**	**$ 13,113**	**1.1%**
Increase (Decrease) in Fund Balance	**$ 1,084**	**$ (77,629)**		
Ending Fund Balance	**$ 4,266,517**	**$ 4,188,888**		

EDA Levy Considerations

- July 2024 cash balance for all EDA operations ≈ $1,400,000
- The EDA has traditionally leveraged its financial position to advance the City's strategic plan and impact targeted development/redevelopment projects
- Significant outlays in recent years to acquire property within the 105th Avenue Redevelopment Area (land sale process to be defined within development agreement)
- Levy Scenarios provided would dedicate any amount over $1,000,000 to accumulate in the EDA Capital Fund for non-operating funding opportunities

2025 EDA Levy Scenarios

Description	Amount	Levy Impact	Levy Increase	Scenario		Levy
2024 Adopted Levy	1,000,000					1,000,000
		0.00%	**0.00%**	**Scenario 1**	**$**	**1,000,000**
Capital	100,000	10.00%	**10.00%**	**Scenario 2**	**$**	**1,100,000**
Capital	150,000	15.00%	**15.00%**	**Scenario 3**	**$**	**1,150,000**
Capital	200,000	20.00%	**20.00%**	**Scenario 4**	**$**	**1,200,000**

EDA Levy Scenarios

		Scenarios for 2025 Preliminary Levy			
	2024 Final Levy	Scenario 1	Scenario 2	Scenario 3	Scenario 4
EDA Levy	**$ 1,000,000**	**$ 1,000,000**	**$ 1,100,000**	**$ 1,150,000**	**$ 1,200,000**
EDA Levy % Change	**0.00%**	0.00%	10.00%	15.00%	20.00%
EDA Tax Rate	0.761%	0.763%	0.849%	0.935%	1.021%
Median EMV SFH	$ 327,400	$ 339,900	$ 339,900	$ 339,900	$ 339,900
EDA Tax Impact	**$ 24.32**	**$ 24.71**	**$ 27.50**	**$ 30.28**	**$ 33.07**
$ Change	**$ (3.13)**	**$ 0.39**	**$ 3.18**	**$ 5.96**	**$ 8.75**
% Change	**-11.4%**	**1.6%**	**13.1%**	**24.5%**	**36.0%**

EMV = Estimated Median Value
SFH = Single Family Home

Questions for Council

- Are there any questions regarding the various levy scenarios?
- What additional information is requested before the Council is asked to adopt a preliminary levy on September 16?
- Is there a consensus regarding the appropriate EDA tax levy for 2025?
  - *As a reminder, the final tax levy adopted in December may not exceed the preliminary levy set in September.*

City of Blaine, Minnesota

Exhibit A

2025 Property Tax Levy Preview - Summary

Levy Item	Fund	2024 Final Levy	2025 Levy Scenarios	Total Change From '24	Percent Change From '24
	General Fund	$ 36,385,585	$ 36,385,585		
1	Steps/Cafeteria Plan	-	1,524,000		
2	Self-Insurance	-	297,300		
3	Workers Compensation	-	350,000		
4	Facilities Fund Internal Service Charges	-	135,000		
5	Commodities/Services (non itemized)	-	678,190		
6	Striping & Signal Repair	-	68,000		
7	GIS Software (ESRI & Azure) Existing Cost	-	53,000		
8	Civil & Criminal Legal Fees	-	38,500		
9	SeeClickFix Integration with Cartegraph	-	30,000		
10	Park Shelter Entry Doors	-	30,000		
11	Beach Dock Replacement	-	30,000		
12	Licensing Revenue Errors	-	77,500		
13	EAMS	-	80,000		
14	Reduce Engineering Charges for City Projects	-	250,000		
15	2025 Non Election Year	-	(143,850)		
16	Increased Plan Review Fees	-	(175,000)		
17	Misc Revenue Increase	-	(180,600)		
18	Additional Safe Margin	-	82,880		
	Total General Fund	**36,385,585**	**39,610,505**	**3,224,920**	**8.9%**
	Capital				
19	Transportation (Pavement Management)	100,000	250,000		
20	Capital Equipment	100,000	500,000		
21	Parks & Trails	-	500,000		
22	SBM Capital Equipment	-	569,752		
	Total Capital	**200,000**	**1,819,752**	**1,619,752**	**809.9%**
23	**Debt Service**				
	GO Improvement Bonds 2013A	573,615	439,539		
	GO Improvement Bonds 2014A (68a)	91,604	-		
	GO Improvement Bonds 2014A (68b)	93,744	-		
	GO Equipment Capital Note 2016A (NMTV)	-	-		
	GO Improvement Bonds 2016A (71a)	200,443	196,633		
	GO Improvement Bonds 2016A (71b)	166,160	163,892		
	GO Improvement Bonds 2016A (71d)	711,952	707,490		
	GO Taxable Improvement Bonds 2017A	254,153	251,711		
	GO Improvement Bonds 2019A	559,550	555,697		
	GO Capital Improvement Plan Bonds 2019B	490,613	486,938		
	GO Capital Improvement Plan Bonds 2020A	515,200	514,683		
	GO Improvement Bonds 2021A (78A)	465,451	466,088		
	GO Improvement Bonds 2021A (78B)	119,178	110,358		
	GO Improvement Bonds 2022 (79A)	678,442	680,313		
	GO Improvement Bonds 2023A	713,825	715,783		
	GO Equipment Certificates 2023A	690,085	689,325		
	GO Improvement Bonds 2024B	-	800,000		
	GO Equipment Certificates 2024B	-	735,000		
	Debt Service Total	**6,324,015**	**7,513,450**	**1,189,435**	**18.8%**
	Base Tax Levy	**42,909,600**	**48,943,707**	**6,034,107**	**14.1%**
24	105th Ave Tax Abatement Debt Service	-	505,200		
	Total Tax Levy (Scenario 1)	**$ 42,909,600**	**$ 49,448,907**	**$ 6,539,307**	**15.2%**
25	Two Additional Police Officers	-	306,000		
	Total Tax Levy (Scenario 2)	**$ 42,909,600**	**$ 49,754,907**	**$ 6,845,307**	**16.0%**

City of Blaine, Minnesota			
Exhibit B 2025 Property Tax Levy Preview - Detail			
Levy Item	**Fund/Category**	**Detail**	**Amount**
1	**Steps/Cafeteria Plan**	New positions NOT included Step progression/unsettled contracts assumed 3% Cafeteria Plan - assumed $600/year increase (same as previous years)	$ 1,524,000
2	**Self Insurance**	Current funding $682,700; 2023/2024 Premium $700,000; Deductible $200,000 2024/2025 Premium $755,000 for Standard and MEL premium: July 15 to July 15 Ending 2023: Cash $440,151; Net Position $10,000 $100k deductible per occurrence/$200k standard aggregate/$4MM MEL aggregate No current/proposed funding for new vehicle/equipment replacement (residual vs new)	297,300
3	**Workers Compensation**	Current funding $1,520,000; 2023/2024 Premium $1,232,000 2024 Retro-Premium $(281,825); 2023 Audit Adjustment $(263,640) 2024/2025 Premium $1,358,794; July 15 to July 15 2024/2025 Standard Policy; $10,000 deductible per Occurrence Ending 2023: Cash $(30,000); Net Position $(30,000)	350,000
4	**Facilities Fund Internal Service Charges**	Assumes 8% increase year over year, consistent with October 30, 2023 workshop	135,000
5	**Commodities/Services (Non Itemized)**	28% of General Fund expenditures Figure Represents 7% increase for 2025 (items 5-11); Excluding EAMS Historical increases: 18% for 2022 Actuals; 10% for 2023 Actuals; 14% for 2024 Budget	678,190
6	**Striping & Signal Repair**	Typically paint 2-4 signals annually; obligated to paint as outlined in JPA with MnDOT/ACHD Streets are striped to keep the reflectivity at minimum standard in accordance with state statue	68,000
7	**GIS Software**	ESRI & Azure; increase needed based on usage and number of users	53,000
8	**Civil & Criminal Legal Fees**	Approved rate increase per 2024 contract and additional utilization	38,500
9	**SeeClickFix Integration**	Quoted price to provide integration between SeeClickFix and Cartegraph (EAMS)	30,000
10	**Park Shelter Entry Doors**	Replacement of doors and frames at Happy Acers & Aurelia Park; original to structures	30,000
11	**Beach Dock Replacement**	This dock is original to the beach; is becoming a concern due to safety hazards	30,000
12	**Licensing Revenue Errors**	Business & Liquor license budget error in 2024 2025 budget consistent anticipated 2024 actual revenue	77,500
13	**EAMS**	Asset Management System: projected annual license costs	80,000
14	**Engineering Fees**	Engineering staff track their time spent on city projects then charge this time back to the associated project account (capital project or utility fund) In addition to the administrative time spent, most of the projects this time is allocated to are funded through debt The current revenue budget for this activity in the General Fund is $750,000; recommending a 3-year timeline to eliminate this chargeback	250,000
15	**2025 Non Election Year**	2025 is a non-election year; costs fluctuate accordingly	(143,850)
16	**Increased Plan Review Fees**	Consistent with anticipated development	(175,000)
17	**Misc. Revenue Increase**	Various anticipated revenues not individually identified	(180,600)
18	**Additional Safe Margin**	City safe margin to be established in an amount between 1% and 1.5%; the adjustment brings the 2025 safe margin to $400,000	82,880

City of Blaine, Minnesota			
Exhibit B 2025 Property Tax Levy Preview - Detail			
Levy Item	**Fund/Category**	**Detail**	**Amount**
19	**Transportation (PMP)**	Crack sealing program; 2024-2028 CIP increased funding from $100k to $250k in 2025	150,000
20	**Capital Equipment**	Lack of prefunding capital needs may impact credit rating	400,000
21	**Parks & Trails**	2024 levy eliminated; used strategic priority funds; proposed to refund in 2025	500,000
22	**SBM Capital Equipment**	2024 capital contribution; not previously included in levy; assumes no increase from 2024	569,752
-	**Compensated Absences**	2018-2023: Funding $914,540; Payouts $1,380,202; total shortfall $465,662 Ending 2023 cash balance was $1,330,000	-
23	**Debt Service**	Main funding source for Capital Projects Assumes 25% of all improvements will be assessed for the 2024 Transportation projects Assumes current interest rate environment at time of sale for 2024 projects No buffer for assessment / interest rate changes related to 2024 bonding	1,189,435
24	**105th Ave Tax Abatement Bond - 2024A**	Intended to be funded by values generated by new development	505,200
		TOTAL (Scenario 1)	**6,539,307**
25	**Two Police Officers**	Two Additional Police Officers $47.49/hr. $99,159/yr. Taxes/Benefits $47,553/each Gear/Equipment $6,000/each	306,000
		TOTAL (Scenario 2)	**6,845,307**