City of Blaine
City Council Workshop

September 4, 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. 2024-371 Discuss EDA Owned Properties in the Northtown Area
Sponsors: Erik Thorvig, Community Development Director

3.2. 2024-382 2025 Budget - General Fund Budget and City/EDA Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

3.3. 2024-352 Police Uniform Patch and Badge Update
Sponsors: Brian Podany, Safety Services Manager/Police Chief

4. Other Business

5. Adjournment

City of Blaine
Staff Report
File Number: 2024-371

Agenda Date	Status
September 4, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.1

Discuss EDA Owned Properties in the Northtown Area

Background

Staff Recommendation

The Blaine Economic Development Authority owns several properties in the Northtown area. They include:

255 89th Avenue

The EDA purchased this property in 2005 for $1,155,000. The site was formally Franks Nursery and is 2.9 acres. The EDA demolished the building and has been holding the land. The original vision was to sell this property as part of a redevelopment of the former K-Mart building located directly to the west. Around 2018, the owner of the building chose to remodel and divide the building for new tenants. Based on this investment, it's not likely the building will be redeveloped anytime soon.

Over the last 5+ years, the property was listed for sale on various commercial real estate exchange sites but didn't garner much interest. In 2023, the city was approached by Morty's Bark and Brew about purchasing the property. This group came to a workshop in 2023 and held a neighborhood meeting to gauge neighborhood interest. Staff have not heard from the group since last fall.

An appraisal was completed earlier this year to determine a potential value. The appraisal valued the property at $750,000. This value was based on commercial use. In reviewing the appraisal, comparable commercial land sales within the appraisal, and Anoka County Assessors' value, the value is in the lower range. The purpose of an appraisal is to get a gauge of potential value; however, the EDA can set the price when considering selling the property.

When the EDA owns property, the EDA has greater discretion on the potential use of the property, even if it meets zoning requirements. As such, a different approach can be taken to determine what the most appropriate use of the property should be. When Morty's Bark and Brew held their neighborhood meeting in August 2023, there were mixed opinions from residents present about what their preference for the site would be.

Additionally, the site has been a maintenance challenge for the city's Public Works Department. Public Works mows the property a couple of times during the summer to keep weeds down and there is also trash that collects on the property. Barricades were placed on the property several years ago to prevent illegal parking and the large concrete wall that surrounds the property was painted by the city in the last couple of years, but is continuing to deteriorate. The residents appreciate the wall, but continued deterioration is a concern.

9011/9021 University Avenue and 20 90th Lane

The EDA purchased these properties between 2008-2012 for a total of $1,280,000. The overall site is 2.17 acres and the sites contained a gas station and retail building. Like the property listed above, the EDA acquired these properties in anticipation of redevelopment of the commercial center adjacent. An appraisal has not been completed of this property, however, based on the other appraisal, the commercial value would be approximately $560,000.

Comprehensive plan land use changes approved by the City Council identify all properties listed above as Medium Density Residential/Community Commercial (MDR/CC), meaning they could be developed for residential (townhomes) or commercial. These properties were discussed at the April 15, 2024, workshop and direction was given to staff to hold a neighborhood open house to receive feedback from residents on what they would like to see if these properties were developed. An open house was held on Monday, August 26. Four city staff were present, along with Councilmembers Saroya and Newland. Feedback was solicited on various development types including townhomes, retail, restaurants, other commercial and general comments. Attached are pictures from the comment pages. A survey was also available and is attached.

QUESTION: Based on the feedback of the open house, what should next steps be for these properties?

8550 Van Buren Street

The EDA purchased this property in 2019 for $180,000. The site had a vacant restaurant (Jimbo's) and the building was in disrepair. The site is 1.05 acres. The building has been demolished, and the site is vacant. Given the size of the site, it would be difficult for commercial development. The site is adjacent to residential areas to the north and east. City staff researched adjacent cities to understand the value and success of selling scattered residential sites for single-family houses. Cities like Fridley, Coon Rapids and Anoka have been successful in selling individual lots within neighborhoods for single-family development. Based on comparable sales in other communities, staff believes the lot could be sold to a single-family builder for $55,000-$65,000. If the EDA sells the property for a single-family home, they could dictate the style of house along with placing a deed restriction on the property limiting rental capabilities for a certain period of time.

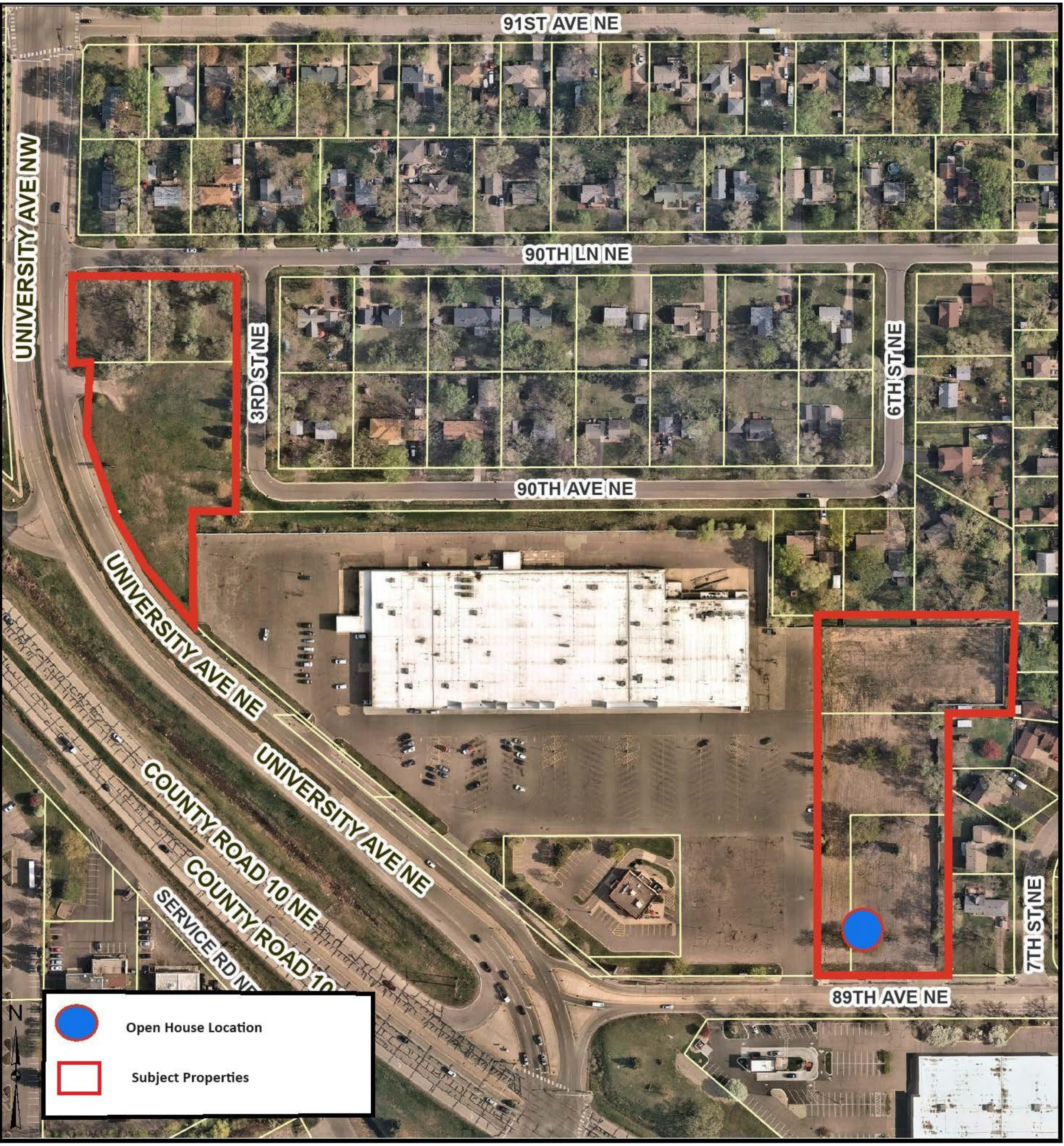
QUESTION: Should staff market this property to single-family home builders?

Questions for Council

1. Based on the feedback of the open house, what should next steps be for properties along 89th Avenue and/or University Avenue?
2. Should the property at 8550 Van Buren Street be marketed for a single family house?

Attachment List

1. EDA Property Map
2. Open House Comments
3. 8550 Van Buren Street
4. Survey Results


91ST AVE NE
UNIVERSITY AVE NW
90TH LN NE
3RD ST NE
6TH ST NE
90TH AVE NE
UNIVERSITY AVE NE
UNIVERSITY AVE NE
COUNTY ROAD 10 NE
7TH ST NE
89TH AVE NE
N
Open House Location
Subject Properties

Community Commercial

What do you like?

- BAKERY +1
- Small businesses
- Locally owned coffee shop — Yes esp. if it is sit down
- Grocery
- Town homes (Rentals or owner occupied)
- smaller units for family
- Prefer something useful built in these lots
- 1 level Buildings

childcare

indoor playground

What are your concerns?

- DUMPSTER LOCATIONS (NOISE) ✓ ✓
- DUMPSTERS NOT BEING CLOSED ✓
- FENCE/WALL TO GROUND (POTENTIALLY REPLACE) ✓ ✓ ✓
- HEIGHT /2nd
- Safe access for peds and bikers to both parcels /2nd
- Single story for both business & housing, not encroaching on my Property. /2nd
- No rentals - Agreed
  NO SECTION 8
- NO Access From our residental road — agreed /2nd
- Concerned about dumpster placement including noise & garbage in my yard. /2nd
- Concerned about music bumping from subs/vehicles. /2nd

no restaurant
no retail

no national chains

low/no traffic increase

Residential

What do you like?

- FOR SALE Product
- Prefer multifamily housing +1
- Townhall - 2 Story / or even 3 Story

The space next to auto zone - I'd perfer retail spaces - not apt. or townhomes

Make the intersections to Northtown Mall safe & easy to access.

if gas station kwik trip only

need turn lane

What are your concerns?

- RENTAL
- HEIGHT

*No section 8

I'm ok w/ section 8

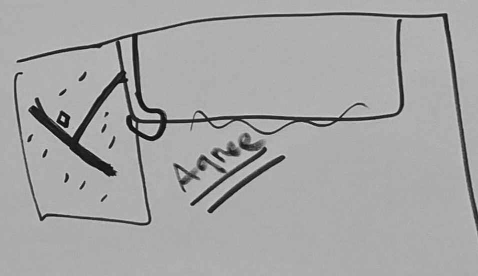
2 story max
No higher than city wall

2 story max

Don't want decks looking over x2

High style next to University

- Access
- culdesac 3rd : 90th — Yes please! - Agree



General Comments

Please Please Please make the intersections to walk to Northtown mall safe, esp. if you are going to have apartments/Housing +1

Community garden :) +1 +1 +1

+1 +1 +1 +1

.PARK Space +1 +1 +1 +1

Community Center - like Mounds View youth Center University Side Courts, gymnasium, workout center

Splash pad +1 +1

.Turn lane on 90th & University +1

Cul-de-sac 3rd St / 90th Ave NE Agreed

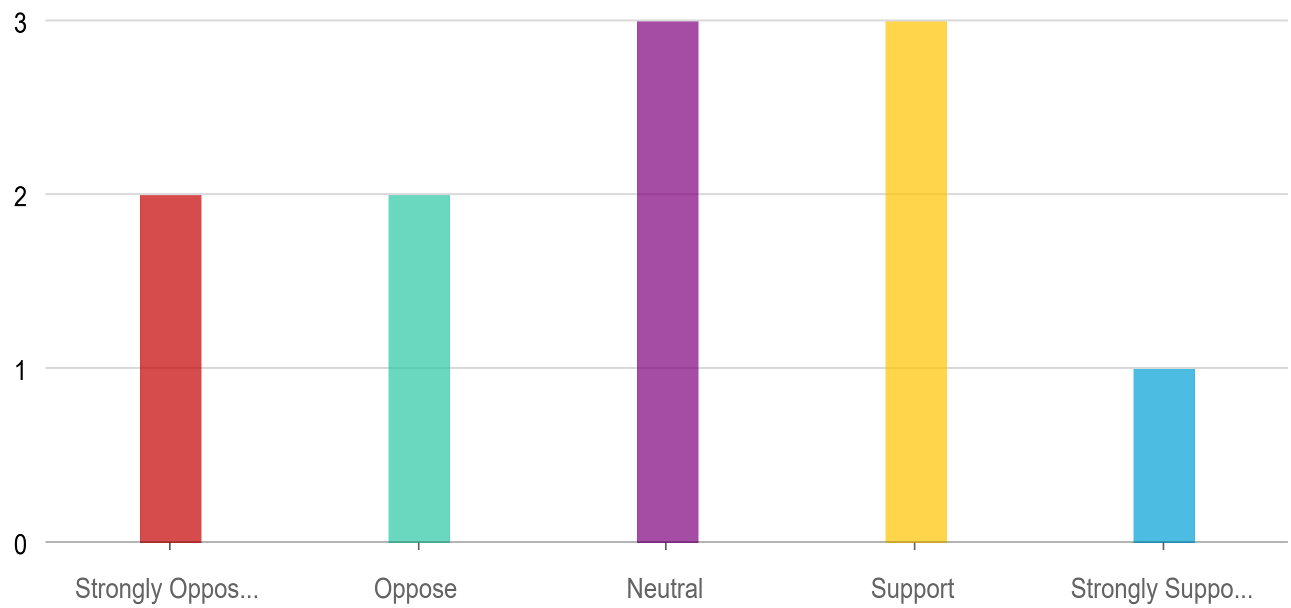
BlaineMN.gov


VAN BUREN ST NE
8550
SERVICE DR NE
COUNTY ROAD 10 NE
10
COUNTY
COUNTY ROAD 10 NE
N

University and 89th

Property Next to Chuck E Cheese

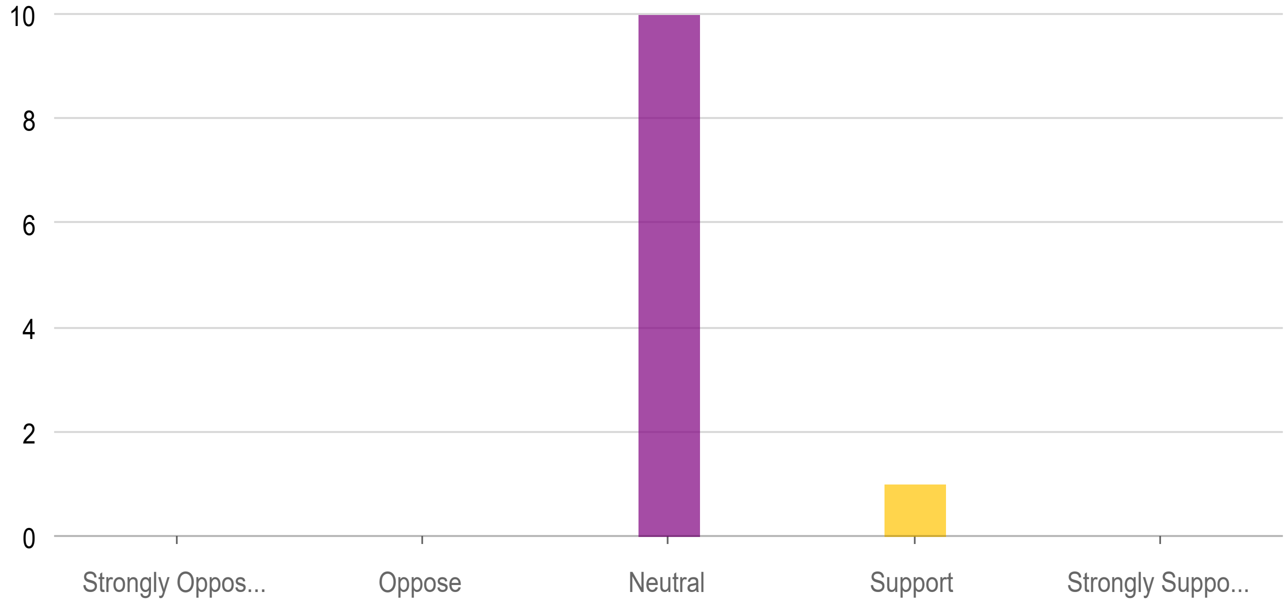
Townhomes *



Answers	Count	Percentage
Strongly Oppose	2	16.67%
Oppose	2	16.67%
Neutral	3	25%
Support	3	25%
Strongly Support	1	8.33%

Answered: 11 Skipped: 1

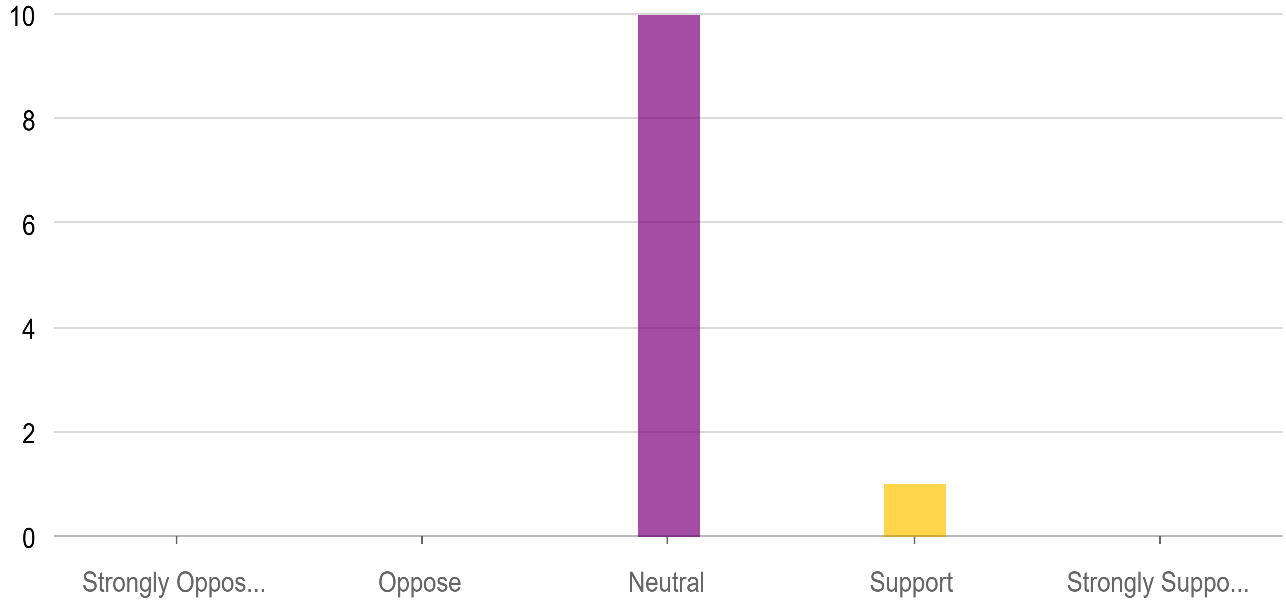
Professional Office *



Answers	Count	Percentage
Strongly Oppose	0	0%
Oppose	0	0%
Neutral	10	83.33%
Support	1	8.33%
Strongly Support	0	0%

Answered: 11 Skipped: 1

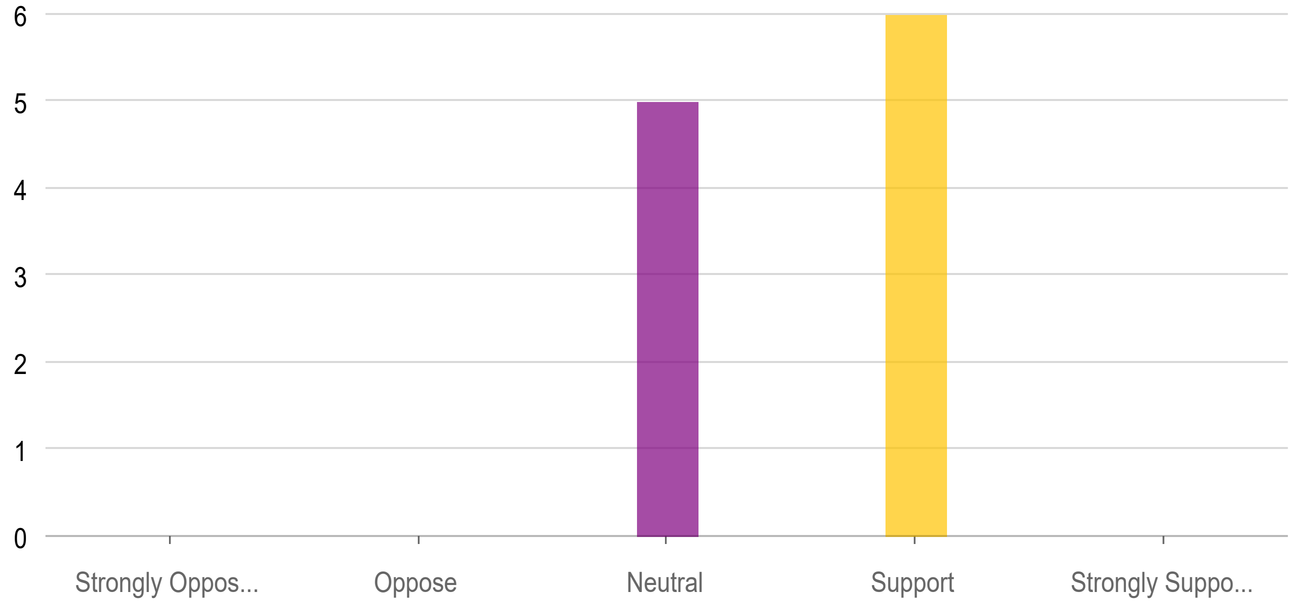
Medical Office *



Answers	Count	Percentage
Strongly Oppose	0	0%
Oppose	0	0%
Neutral	10	83.33%
Support	1	8.33%
Strongly Support	0	0%

Answered: 11 Skipped: 1

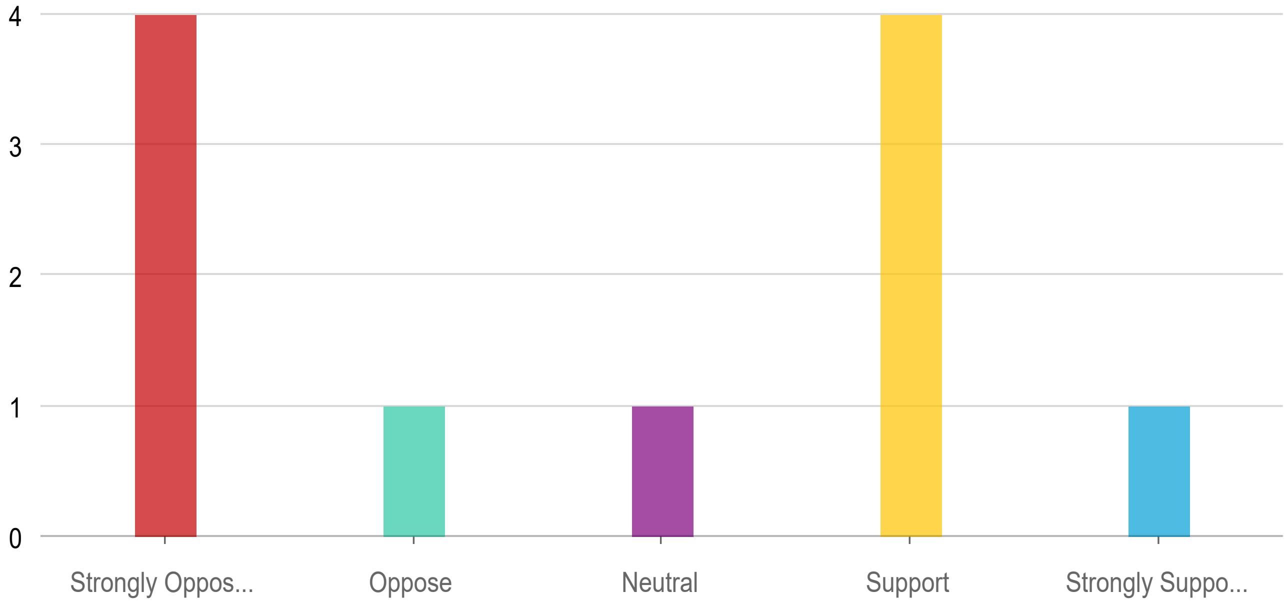
Retail *



Answers	Count	Percentage
Strongly Oppose	0	0%
Oppose	0	0%
Neutral	5	41.67%
Support	6	50%
Strongly Support	0	0%

Answered: 11 Skipped: 1

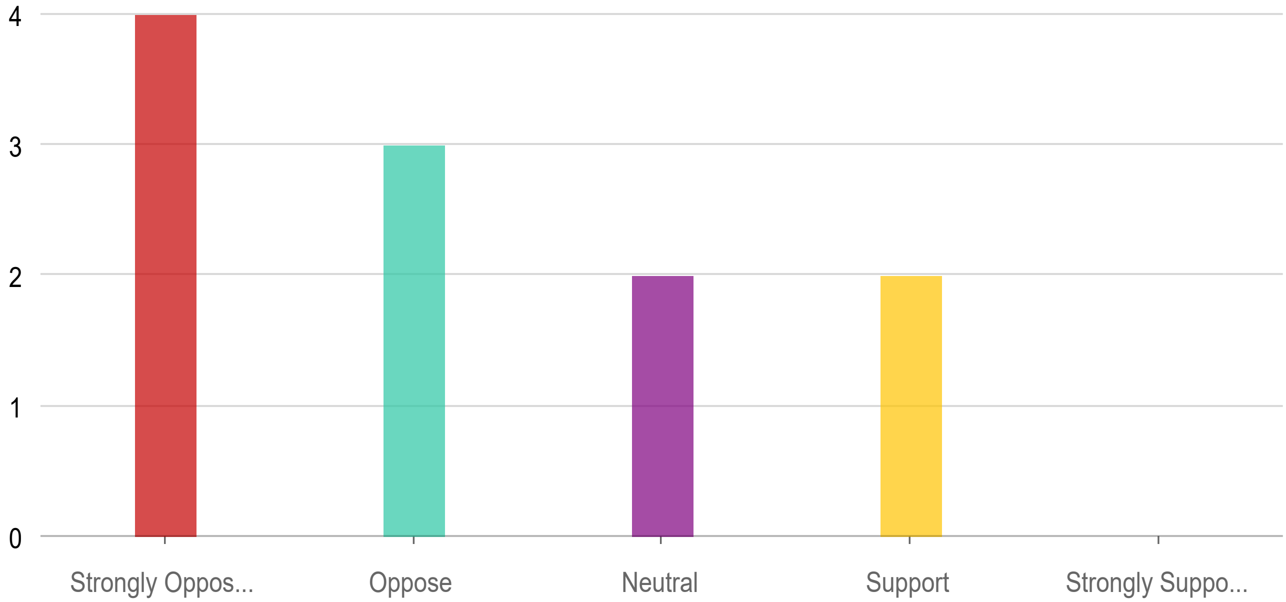
Restaurants - Without Drive Thru *



Answers	Count	Percentage
Strongly Oppose	4	33.33%
Oppose	1	8.33%
Neutral	1	8.33%
Support	4	33.33%
Strongly Support	1	8.33%

Answered: 11 Skipped: 1

Restaurants - With Drive Thru *

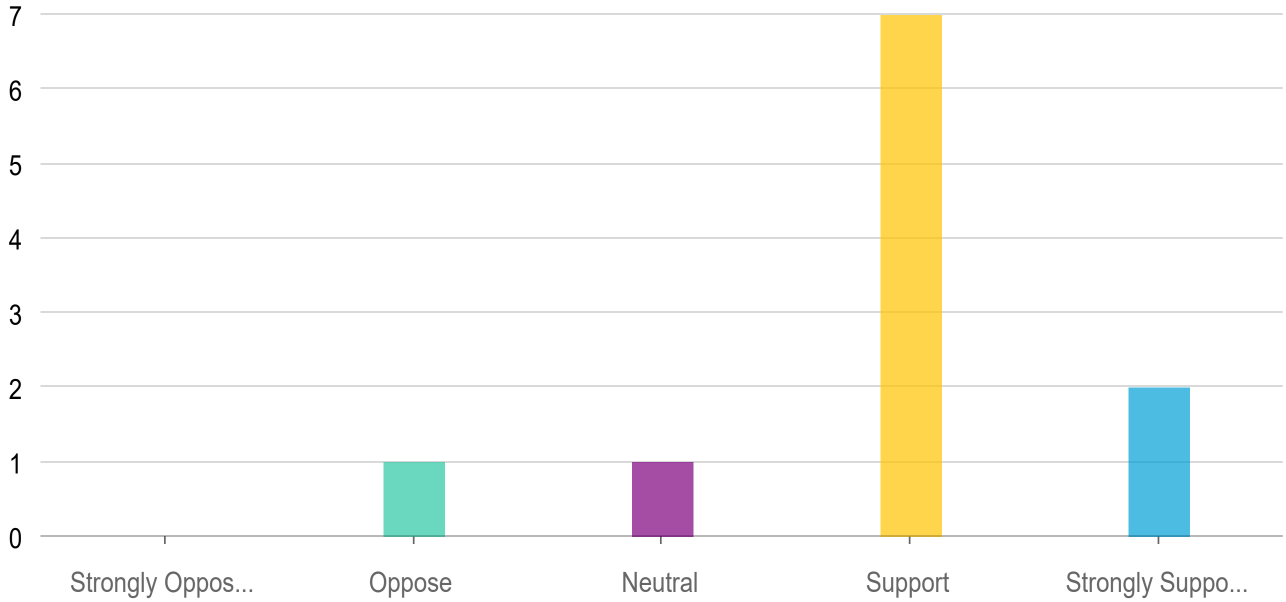


Answers	Count	Percentage
Strongly Oppose	4	33.33%
Oppose	3	25%
Neutral	2	16.67%
Support	2	16.67%
Strongly Support	0	0%

Answered: 11 Skipped: 1

Property Adjacent to University Avenue

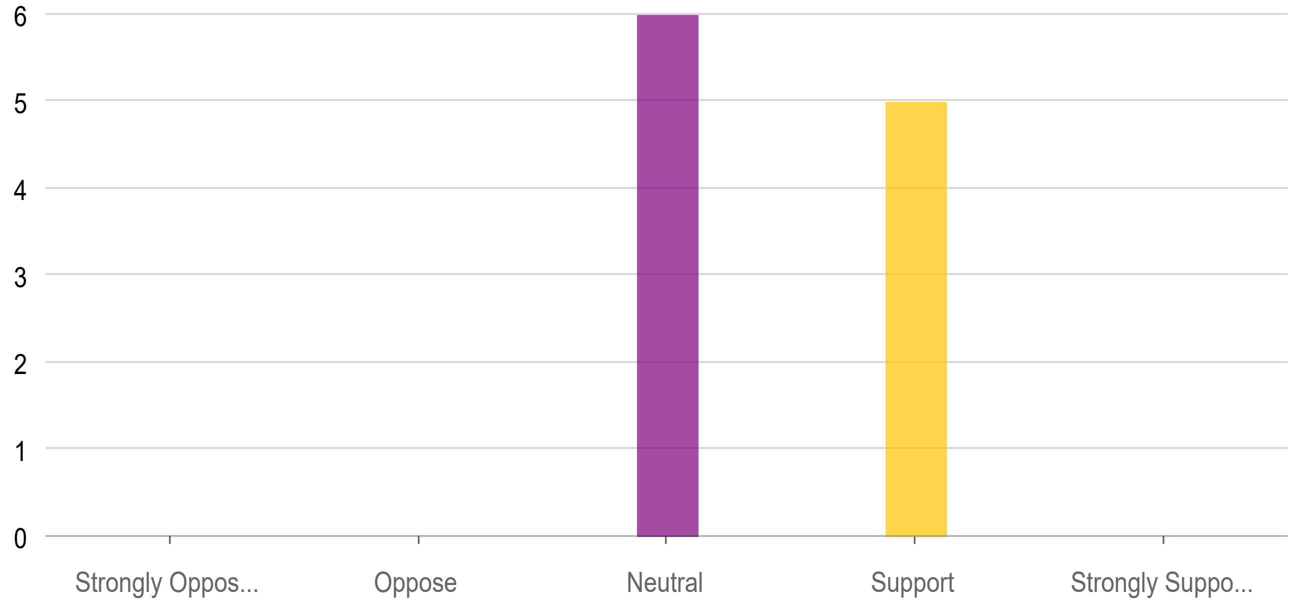
Townhomes *



Answers	Count	Percentage
Strongly Oppose	0	0%
Oppose	1	8.33%
Neutral	1	8.33%
Support	7	58.33%
Strongly Support	2	16.67%

Answered: 11 Skipped: 1

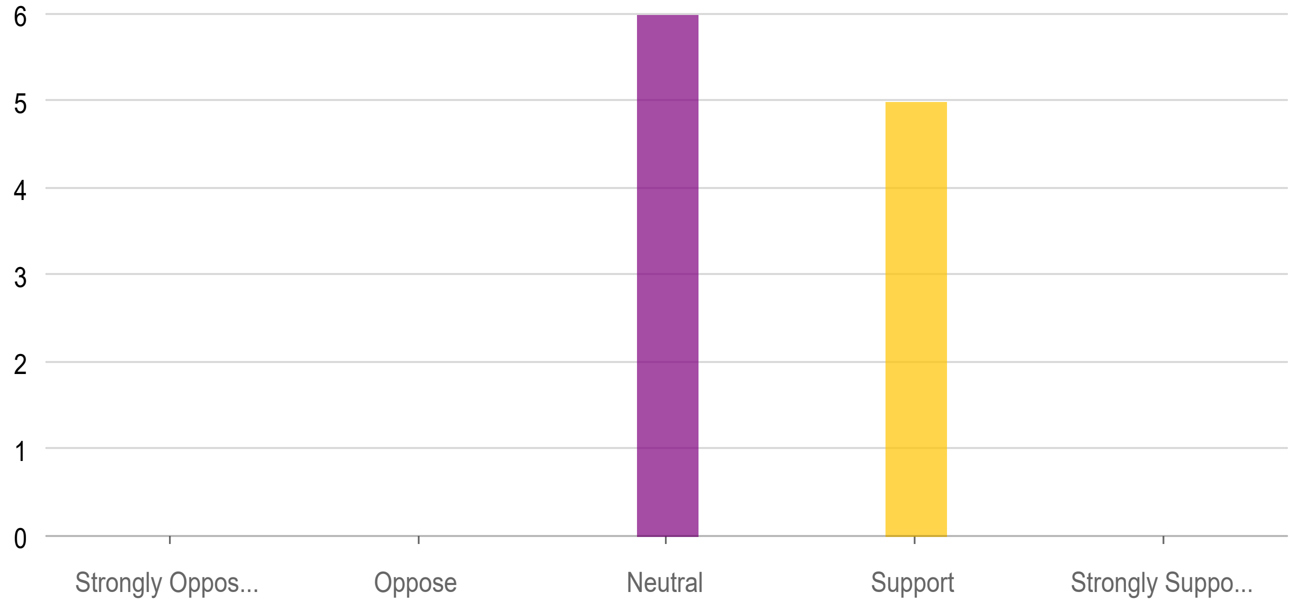
Professional Office *



Answers	Count	Percentage
Strongly Oppose	0	0%
Oppose	0	0%
Neutral	6	50%
Support	5	41.67%
Strongly Support	0	0%

Answered: 11 Skipped: 1

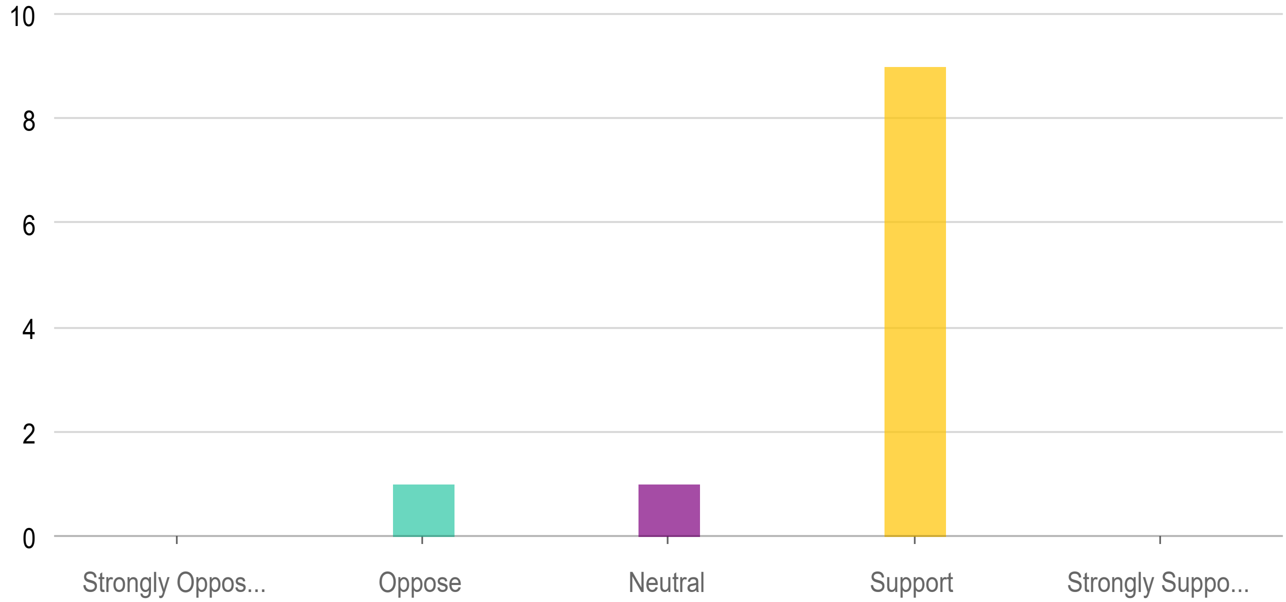
Medical Office *



Answers	Count	Percentage
Strongly Oppose	0	0%
Oppose	0	0%
Neutral	6	50%
Support	5	41.67%
Strongly Support	0	0%

Answered: 11 Skipped: 1

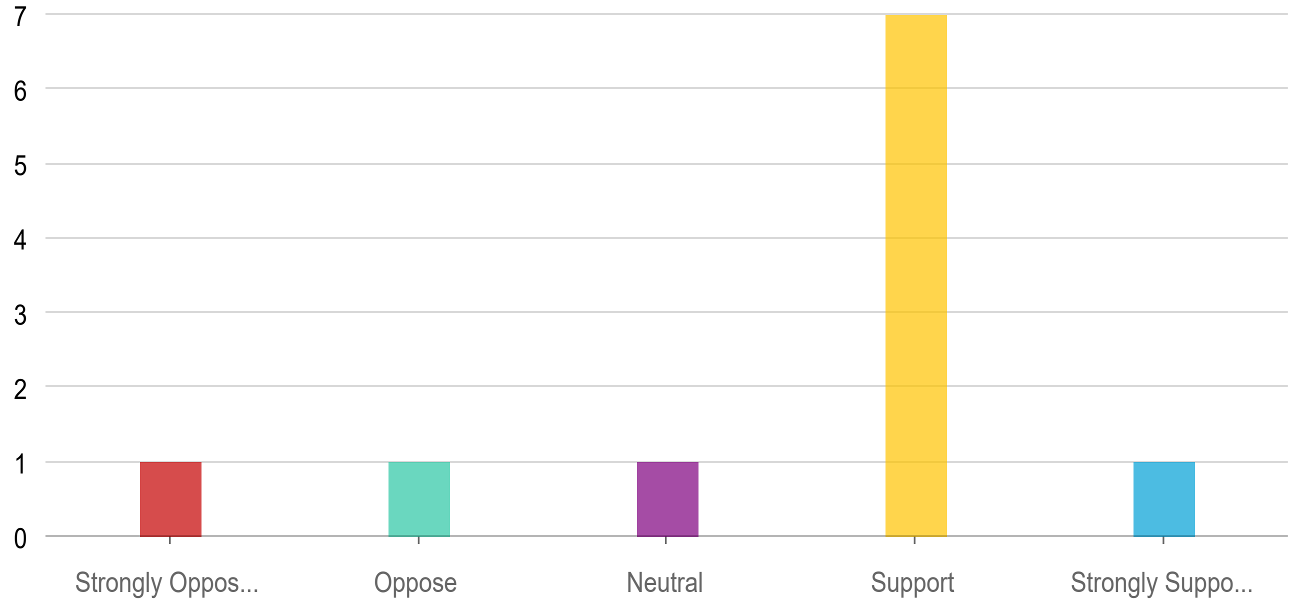
Retail *



Answers	Count	Percentage
Strongly Oppose	0	0%
Oppose	1	8.33%
Neutral	1	8.33%
Support	9	75%
Strongly Support	0	0%

Answered: 11 Skipped: 1

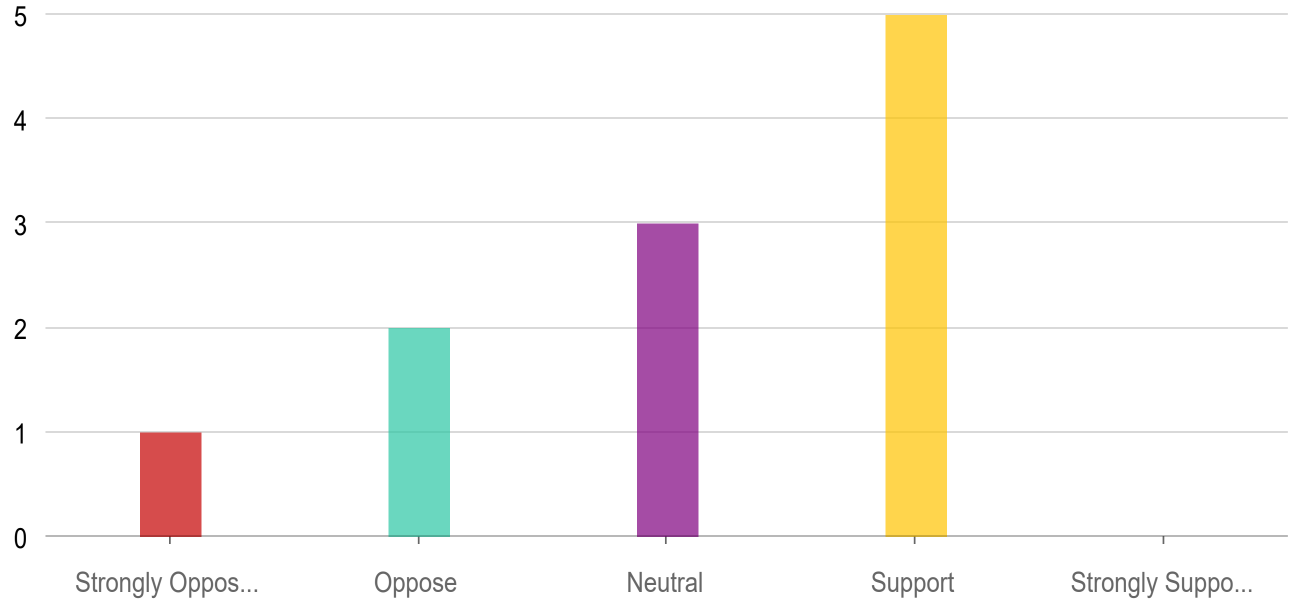
Restaurants - Without Drive Thru *



Answers	Count	Percentage
Strongly Oppose	1	8.33%
Oppose	1	8.33%
Neutral	1	8.33%
Support	7	58.33%
Strongly Support	1	8.33%

Answered: 11 Skipped: 1

Restaurants - With Drive Thru *



Answers	Count	Percentage
Strongly Oppose	1	8.33%
Oppose	2	16.67%
Neutral	3	25%
Support	5	41.67%
Strongly Support	0	0%

Answered: 11 Skipped: 1

City of Blaine
Staff Report

File Number: 2024-382

Agenda Date	Status
September 4, 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

On August 19, staff presented the initial General Fund budget and preliminary city-based levy options, which included funding for capital improvements and debt service. This first formal workshop regarding the 2025 operating budgets and property tax levy was intended to begin the annual process of aligning City Council priorities with financial resources to provide property owners, residents, and visitors with quality city services at a responsible tax level. While this discussion was very preliminary, with many assumptions, it set expectations for staff to ensure the budgetary process aligns with Council goals and the City's strategic plan.

In continuation of the August 19 workshop, staff will briefly review the general direction provided by the Council for the preliminary 2025 city-based tax levy and introduce the Economic Development Authority (EDA) budget and levy-scenarios.

Because this document is being prepared in 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 and Ramsey County Property Tax Departments for preliminary tax calculations. Additionally, updated metro-wide fiscal disparity information isn't anticipated until sometime in late August or early September, so staff utilized preliminary figures.

Another council workshop is scheduled for September 9 to address any outstanding questions and prepare for adoption of the 2025 preliminary levy, which will come before the Council on September 16.

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
- Incorporation of 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
- No gas or electric franchise fees, local option sales tax, or local government aid
- Implementation of an Enterprise Asset Management System (EAMS) to improve management of resources, coordination of work, and community responsiveness

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 will also be attached before noon on the day of the meeting.

At the August 19 workshop, the general direction provided by the City Council was to establish the preliminary city tax levy in alignment with Scenario 3 as outlined in the table below. The flexibility provided at this preliminary levy target will provide the Council with an opportunity to gather more information regarding potential investment in additional staff and programming before the final levy is set in December. This additional capacity may serve to be useful as the City has yet to issue bonds for the 2024 pavement management program and acquisition of capital equipment, with the anticipated levy for these activities based on current market conditions, which may change before the sale date in October.

City Tax Levy and Potential Scenarios

2024 City-Based 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 would act as a bridge to provide the EDA with capital should strategic opportunities 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 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.

A copy of the presentation will also be attached before noon on the day of the meeting.

Staff Recommendation

Questions for Council

Does the Council have any followup questions or comments on the City-Based tax levy and General Fund budget scenarios?

Are there any questions regarding the EDA levy scenarios?

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.

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

Attachment List

1. 2025 Property Tax Levy Preview - September 4 2024
2. 2025 Budget Presentation- September 4 2024
3. 2025 EDA Budget - September 4 2024

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%**
26	Three Additional FTE	-	450,000		
27	Operational Requests		44,000		
	Total Tax Levy (Scenario 3)	**$ 42,909,600**	**$ 50,248,907**	**$ 7,339,307**	**17.1%**

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 10.3% increase year over year	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 statute	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	1,189,435
		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	
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.	306,000
		Taxes/Benefits $47,553/each	
		Gear/Equipment $6,000/each	
		TOTAL (Scenario 2)	**6,845,307**
26	**Three Additional FTE**	Details provided during 8/19/2024 Workshop	450,000
27	**Operational Requests**	Details provided during 8/19/2024 Workshop	44,000
		TOTAL (Scenario 3)	**7,339,307**

2025 Budget – General Fund Budget Recap and EDA Property Tax Levy

City Council Workshop| Finance

09/04/2024

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***

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 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)

Operational Requests Not In Base Budget

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**	

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**

Levy Components

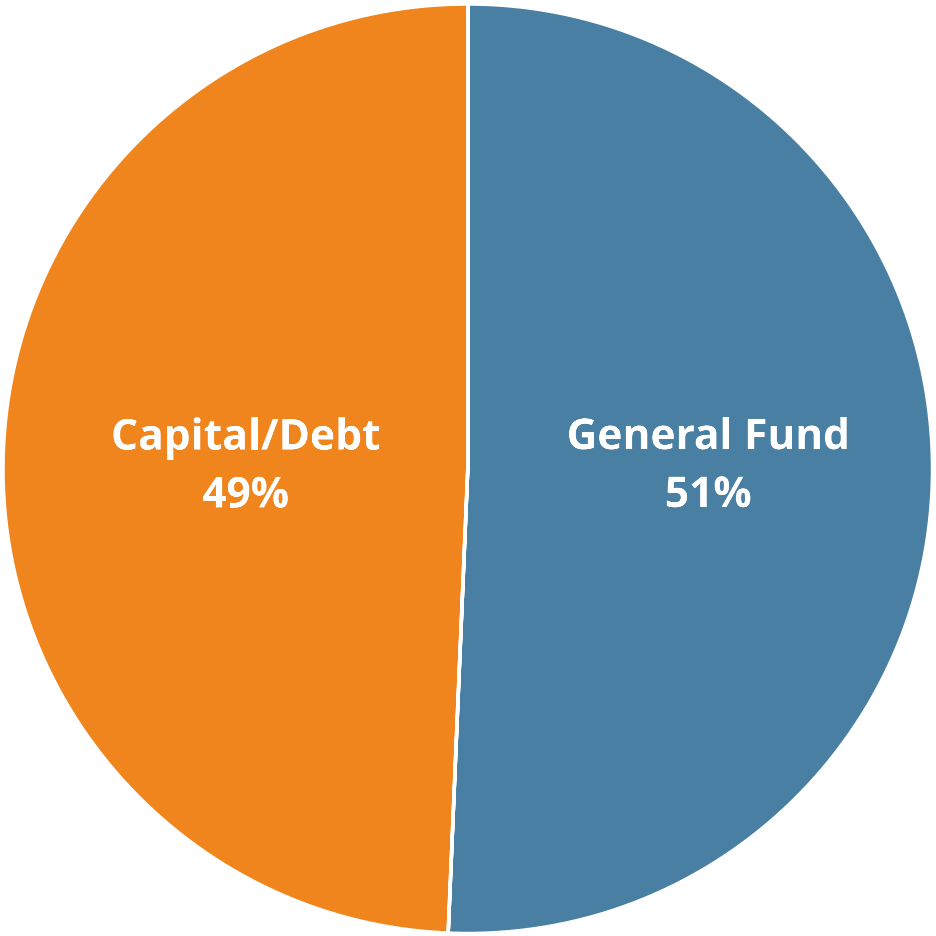
- The 10-year average annual levy change (2016 to 2025) is 12.35%
- The debt levy is increasing due to the City's commitment to investing in critical infrastructure
- The capital equipment levy is proposed to assist with prefunding the replacement of vehicles & equipment in lieu of debt

Levy Component	2016 Budget	2024 Budget	2025 Scenario 3	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
Two Additional Police Officers	-	-	306,000	N/A	N/A
Three Additional FTE	-	-	450,000	N/A	N/A
Operational Requests	-	-	44,000	N/A	N/A
Total	**22,126,375**	**42,909,600**	**50,248,907**	**17.10%**	**12.71%**

Levy Change from 2024 to 2025 Scenario 3

- Capital Planning:
  - Identify desired project outcomes
  - Prioritize projects while focusing on citizen benefits
  - Determine funding strategies and consider future operating impacts

- Prefunding Focus:
  - Pavement Management
  - Capital Equipment
  - Parks and Trails
  - Vehicles and Equipment



Historic Levy Commitment to Community Assets

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

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 2015 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**

2024 Tax Statement

Statement Includes All Taxing Jurisdictions

- 6. Anoka County
- 7. County Public Safety System
- **8. City of 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

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]

Step 1	**VALUES & CLASSIFICATIONS**		
	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

EDA Levy Scenarios

	2024 Final Levy	Scenarios for 2025 Preliminary 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

2025 SUMMARY BUDGET
EDA FUND - 213

	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**		

City of Blaine
Staff Report

File Number: 2024-352

Agenda Date	Status
September 4, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Brian Podany, Safety Services Manager/Police Chief

Agenda Item # 3.3

Police Uniform Patch and Badge Update

Background

The police department's current badge and patch have been in place for almost 30 years. The current patch has the City Logo on it that is no longer in use and has been replaced. Additionally, the current badge has the old state seal for the State of Minnesota on it. The recent public safety fund allocation has funding that is eligible to be used for a patch and badge replacement. A committee was formed made up of approximately 16 staff members from the police department, including both sworn and non-sworn members from all divisions across the police department, led by Captain Joe Gerhard. The committee met monthly to discuss and share ideas about what was important to them and what they felt most represents the department. Everyone had input discussing design elements, colors, graphics, shapes, and what makes the department unique. Several different options were created and discussed in detail.

A law enforcement Badge is a portrayal of position and authority. It represents the willingness to sacrifice one's safety to assist others. It is a way of identifying the officers' rank and their department. Different badge shapes have their own individual meanings. It's a symbol of pride and honor for those who take the oath of office to protect and serve their community.

A law enforcement Patch represents the officer's affiliation with their agency and their commitment to serving and protecting their community. They can also be a source of pride for officers. Patches can include symbols like badges, stars, eagles, and the scales of justice, which can represent different aspects of law enforcement. They can also include design elements like landmarks, mascots, attractions, and the department's core values that make the patch unique to the department.

A lot of time, thought, and research was put into this project by committee members to reach a conclusion that everyone was proud of. A PowerPoint will be displayed for Council that summarizes this process and the conclusions reached, along with the proposed future patch and badge.

Staff Recommendation

Provide support and or feedback for bringing the item to Council for acceptance and funding.

Questions for Council

Provide feedback on the updated police department badge and patch designs.

Attachment List

None