City of Blaine
City Council Workshop

November 13, 2024 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

NOTICE OF WORKSHOP MEETING
In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

2. Roll Call

3. New Business

3.1. 2024-496 MnDOT TH47 and University Avenue Design Update
Sponsors: Daniel Schluender, Director of Engineering

3.2. 2024-506 Charitable Gambling - 2025 Awards
Sponsors: Jason Zimmerman, Finance Director

3.3. 2024-511 2025 EDA Budget and Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

3.4. 2024-505 2025 General Fund Budget and City Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

4. Other Business

5. Adjournment

City of Blaine
Staff Report
File Number: 2024-496

Agenda Date	Status
November 13, 2024	

In Control	File Type
City Council	Workshop Item

New Business - Daniel Schluender, Director of Engineering

Agenda Item # 3.1

MnDOT TH47 and University Avenue Design Update

Background

The Minnesota Department of Transportation will have a representative present to explain the design concepts, ongoing work, and schedule of the TH 47/University Avenue corridor proejct.

Staff Recommendation

Questions for Council

Attachment List

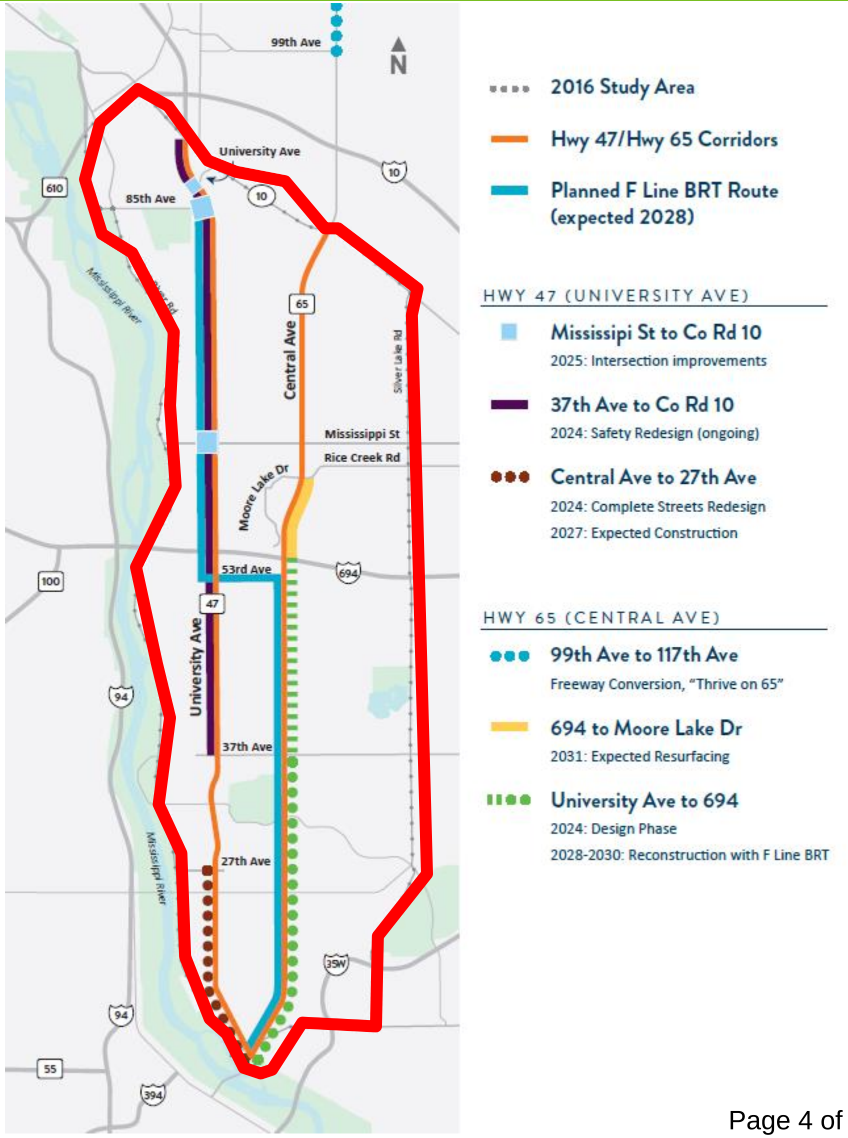
1. 20241113_TH47N_BlaineCouncilPresentationFINAL_v2

Highway 47/University Avenue

Columbia Heights, Fridley, Spring Lake Park, Blaine

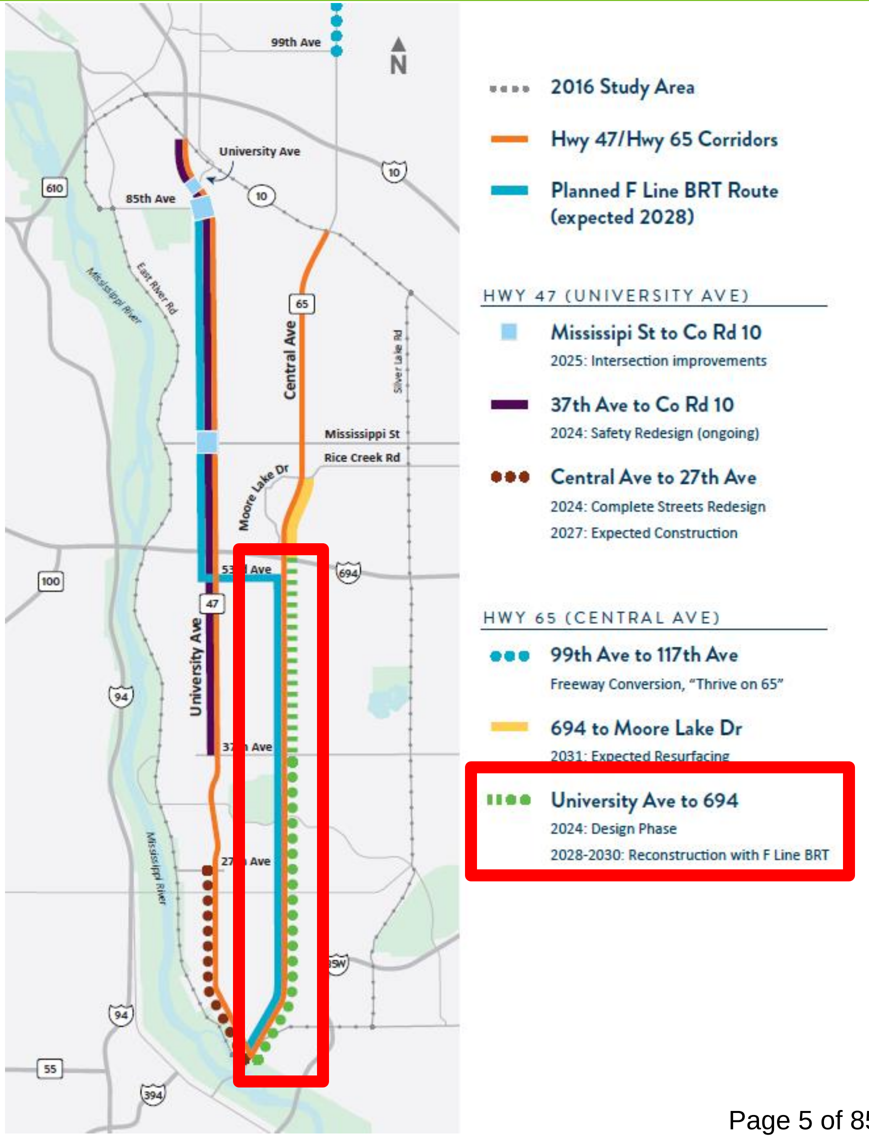
Introduction and PEL Background

- Average 4 fatal crashes/year on Highway 47 and 65 from their intersection in Minneapolis to US 10.
- Generally - crash rate is higher in Hennepin County, but rate of serious injury/death is higher in Anoka County.
- **Planning and Environmental Linkages study** identified several concepts for both 47 and 65 but didn't pick a preferred alternative.



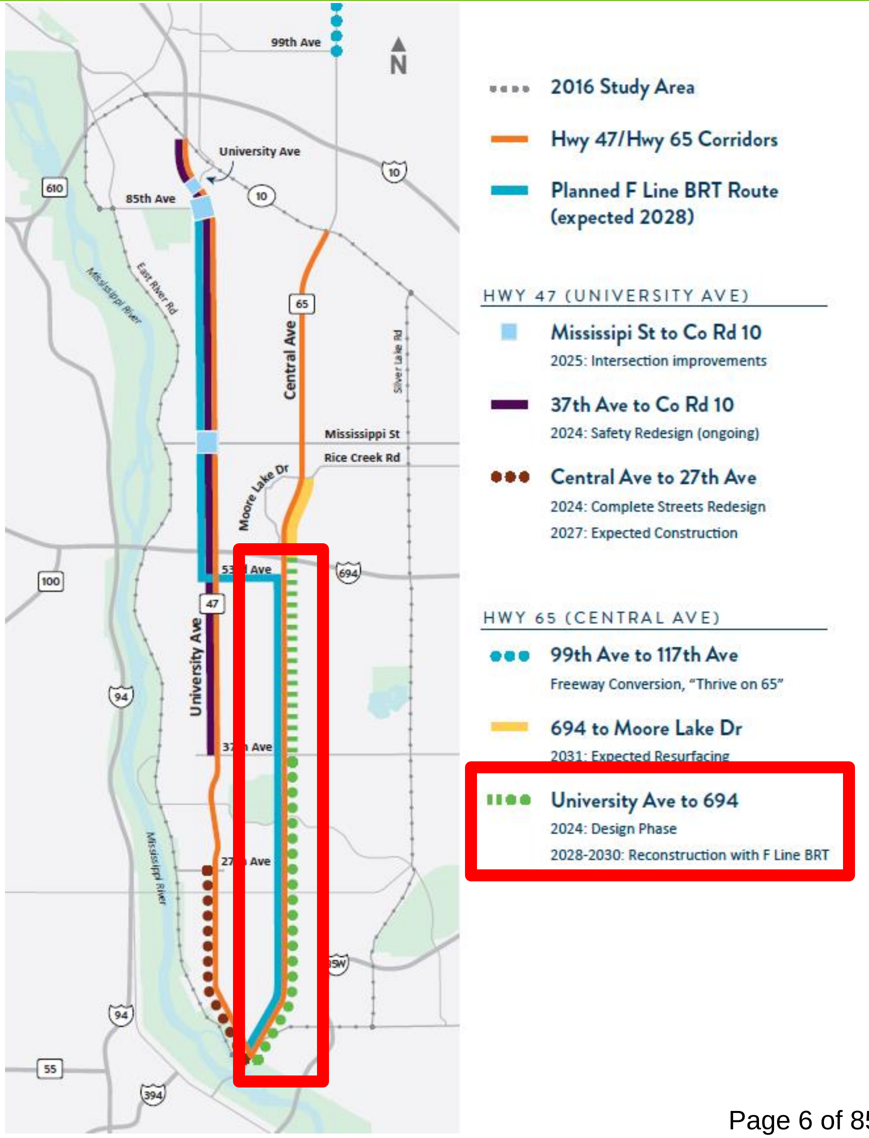
2028 Construction – Highway 65

- Central Ave Reconstruction
  - Implement safety improvements from PEL study
  - Improve pavement condition
  - Design with F Line BRT improvements
- Funding
  - $25 million set aside for Anoka County portion in FY 2028
  - MnDOT looking into funding options for Hennepin County portion



2028 Construction – Highway 65

- Safety Improvements
  - Conversion from 4 lanes to 3 lanes (w/center turn lane) – up to 47% reduction in crashes
  - Adding separated bike facilities – up to 56% reduction in bicycle crashes
  - Adding median refuge islands – up to 56% reduction in pedestrian crashes
- Mobility Considerations
  - May increase delay slightly for motorists during rush hour
  - Evaluating adding general purpose lanes, turn lanes, and/or bus lanes back in where needed



Project overview

- Highway 47 conceptual design contract
  - Further evaluate the design of safety improvements from PEL study
  - Design the future of 47 in a way that is compatible with F Line construction, and other locally led projects.
- Funding
  - MnDOT has $12M planned for resurfacing in 2030. Safety improvements from PEL study are significantly more expensive, additional funding required.
  - Improvements on Highway 47 may come over a series of projects instead of all at once in 2030

Timeline

Past studies	Phase 1 of engagement	Phase 2 of engagement	Funding	Anticipated Construction
2016-2024	***Summer/fall 2024***	***Winter 2024***	***2025 - 2029***	***2030 and beyond***
Several previous studies have shaped this project	*Collect feedback on design options*	*Collect feedback on recommended design option*	*MnDOT and agencies will pursue grant funding to implement changes*	*Construction potentially starting*

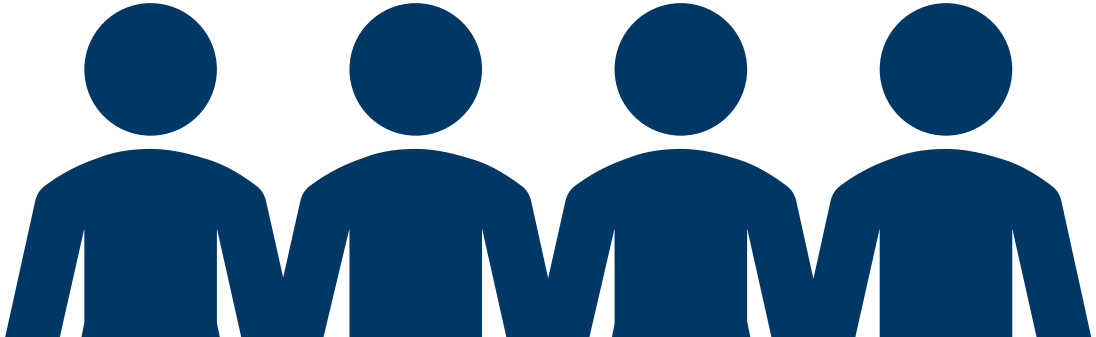
What we have heard

Multi-lane roundabouts could keep traffic flowing while slowing car speeds.

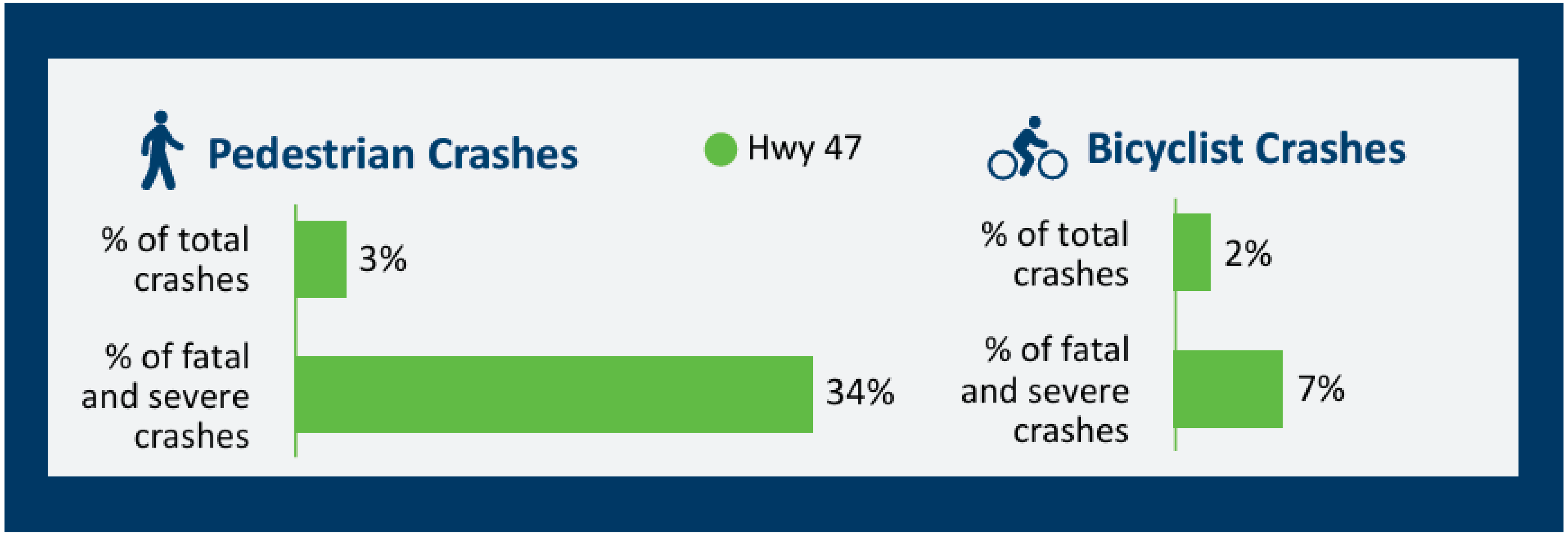
Cars are often speeding.

It’s too easy for pedestrians and bicyclists to get hit by cars.

The signal wait times aren’t right for pedestrians. People often cross against the light.



What we have learned



Walkability and bikeability: Most Pedestrians do not feel safe while traveling. These vulnerable travelers are involved in 39% of all deadly and serious injury crashes.

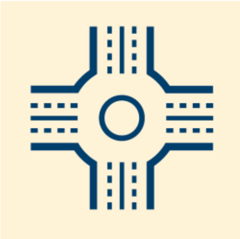
Driver safety: Most drivers also do not feel safe, technical analysis identified 27 locations where the number of crashes is higher than the average.

What we have learned

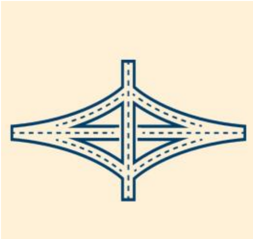
Proposed changes

37th Ave NE to 53rd Ave NE	53rd Ave NE to Osbourne Rd NE	North of Osbourne Rd NE to University Ave NE
Traffic Signals (2 lane roadway) Single Lane Roundabouts (2 lane roadway) Multi-Lane Roundabouts (4 lane roadway)	Traffic Signals (4 lane roadway) Multi-Lane Roundabouts (4 lane roadway)	Multi-Lane Roundabouts (4 lane roadway) Fully Grade-Separated Interchanges

Proposed changes



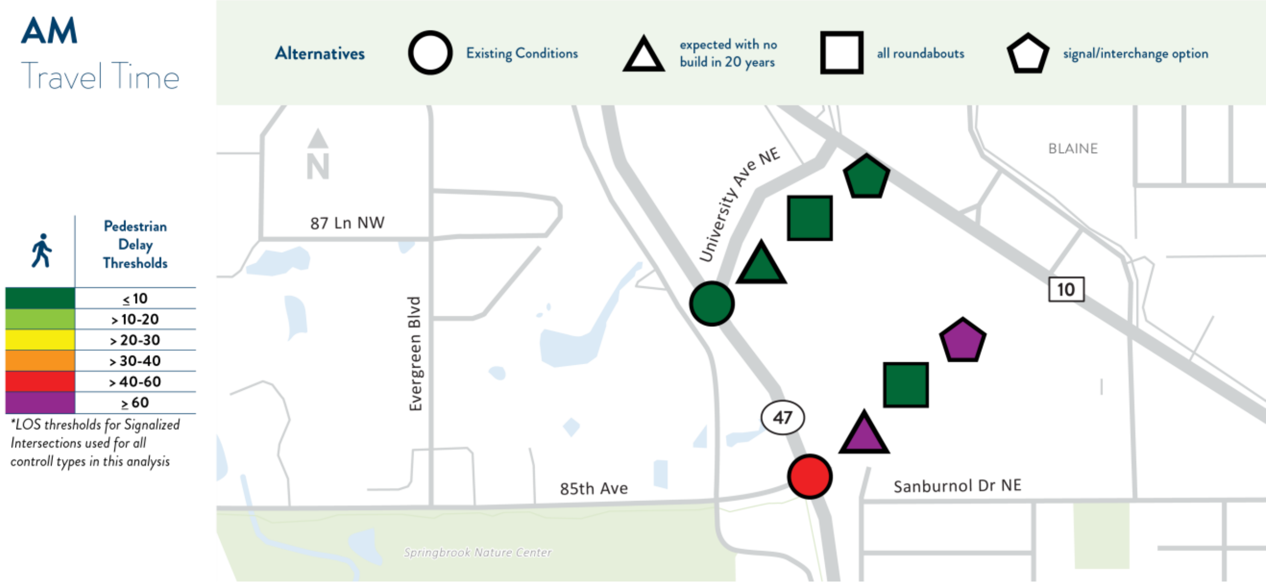
Multi-lane RB
(4 lane roadway)

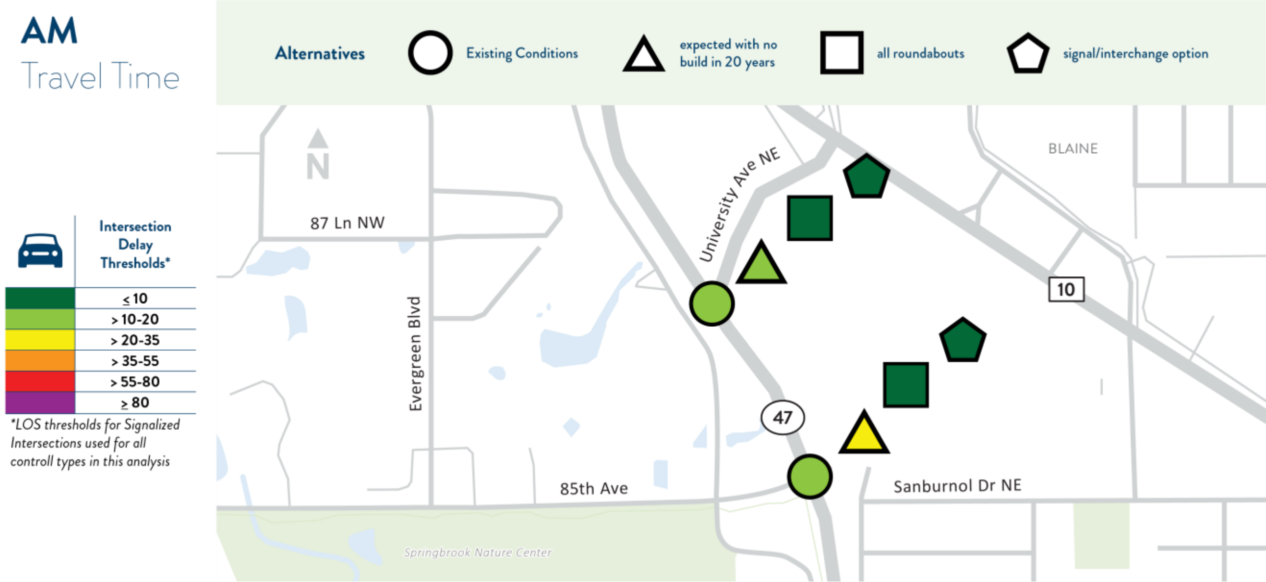


Grade separated
(4 lane roadway)

North of Osbourne Rd NE to University Ave NE

Traffic analysis results

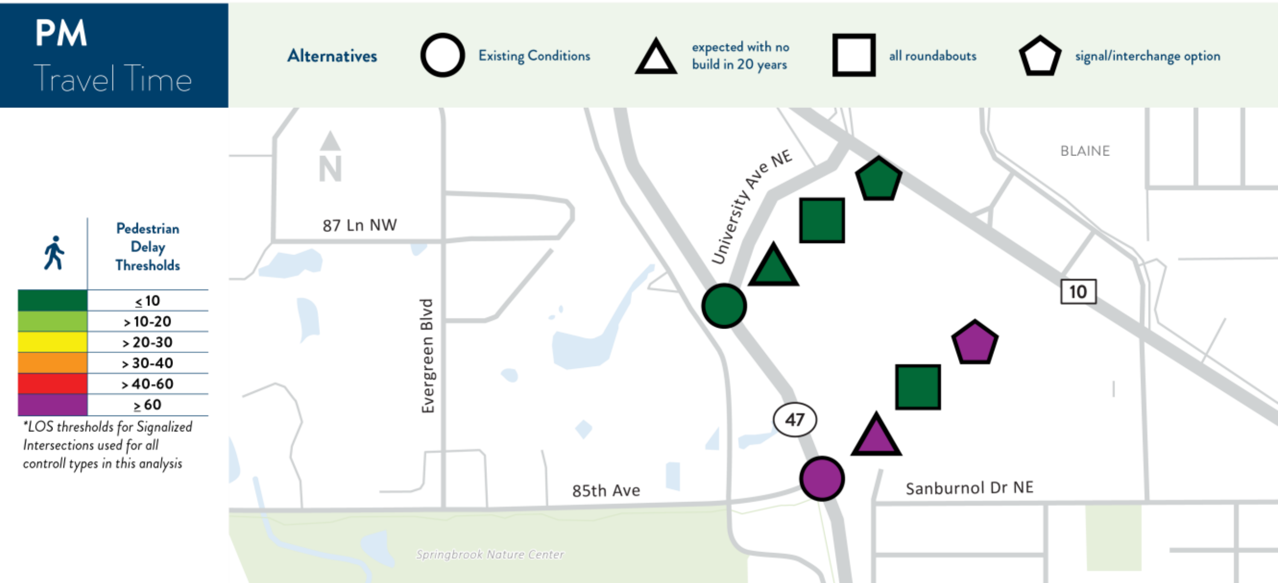


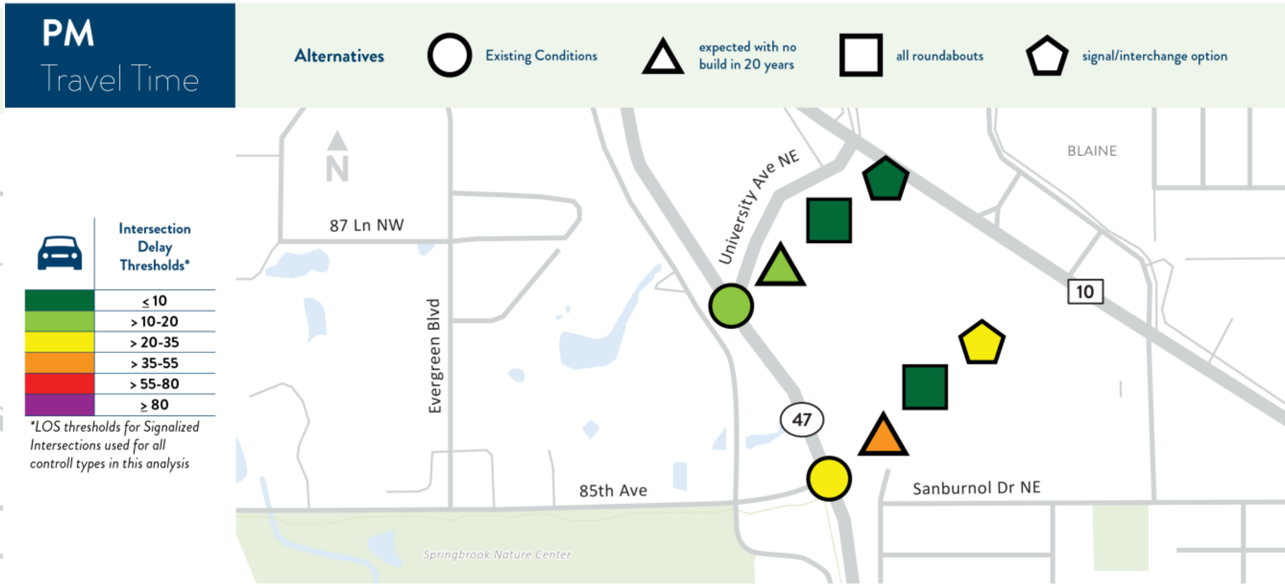


Key takeaways

- Roundabout Option showed the least traffic and pedestrian delays during a.m. periods.
- Signal/Interchange Option is expected to cause long queues for pedestrians at 85th Ave during the a.m. hours.
- Overall, Signal/Interchange Option results are comparable to existing conditions at most intersections.

Traffic analysis results





Key takeaways

- Roundabout Option showed the least traffic and pedestrian delays during p.m. periods.
- Signal/Interchange Option is expected to cause long queues at 85th Ave during the p.m. hours.
- Overall, Signal/Interchange Option results are comparable to existing conditions at most intersections.

Benefit Cost Analysis

Legend

Estimated Safety Benefit:
a cost saving projection for the total number of human lives saved and property damage prevented by the roadway improvements

Estimated Operational Benefit:
Cost benefit from time saved by roadway users.

Benefit/Cost Ratio:
A Benefit Cost Ratio greater than one has greater benefit relative to cost.

No Build

Projected Annual Total Crash Cost $22.7M

Estimated Safety Benefit:
N/A

Estimated Operational Benefit:
N/A

Benefit/Cost Ratio:
N/A

Roundabouts Option

Projected Annual Total Crash Cost $8.9M

Estimated Safety Benefit:
$217.5M

Estimated Operational Benefit:
$539.5M

Benefit/Cost Ratio:
15.0

Signal/Interchange Option

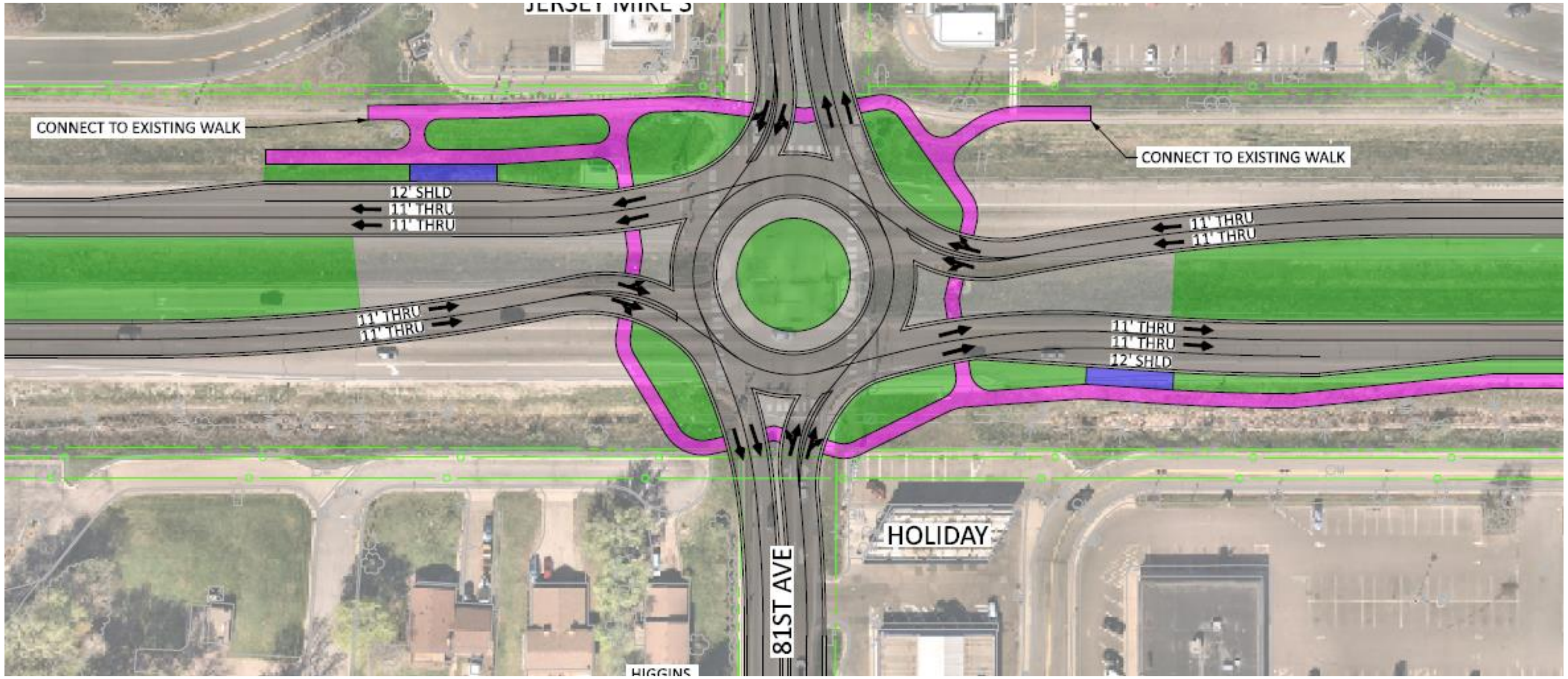
Projected Annual Total Crash Cost $15.5M

Estimated Safety Benefit:
$114M

Estimated Operational Benefit:
$101M

Benefit/Cost Ratio:
1.0

Local Participation



- 85% reduction in fatal and serious injury crashes
- Two-lane roundabouts can sometimes see an **increase** in fender-bender crashes
- Pedestrian safety and ease of navigation with multilane roundabouts are key concerns raised by the public

Pedestrian grade separation

Potential Option:

- Could be effective, but if the crossing isn't direct, pedestrians may still attempt to cross at street level.

Next Steps

- MnDOT continuing to refine designs based on public feedback
- MnDOT planning another round of public engagement in December – to share details on roundabouts, pedestrian bridges, and traffic signals and to compare the differences
- By the end of 2024 – have a good sense for what makes sense at each intersection

In 2025 – start to pursue grants and work with partners to fund construction as early as 2030

Questions

- Additional thoughts?
- Which option do you prefer? What considerations for your community should we keep in mind?
- Anything else you'd like us to know about your community or the corridor in general?

City of Blaine
Staff Report

File Number: 2024-506

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

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

Agenda Item # 3.2

Charitable Gambling - 2025 Awards

Background

The 2025 Charitable Gambling Fund budget and award process was presented at the September 30 City Council Workshop, with the intent of remaining consistent with past practice based on Council feedback. On October 3, staff emailed Council the scoring sheets and supplemental information for each of the 20 applications received to assist with allocating the 2025 funds. At the October 14 City Council Workshop, staff provided paper scoring sheets to the Council as an alternative to the electronic version. On October 22, a final email reminder requesting completed scoring sheets was sent to the Council member(s) who had yet to respond. In preparation for this meeting:

- Staff collected the Council member scoring sheets
- Staff averaged the scoring sheet amounts provided by each Council member
- Staff generated two scenarios of potential award options for Council's consideration

See attached scoring summaries with recommendation options

- Available funding is $192,818, which is based on actual 2023 charitable gambling revenues
- Centennial Senior All Night Party submitted a request on October 23 for $750 which was not included, as the window for accepting requests closed September 15, which was communicated via email, letters, and on the City website

Staff used Council feedback as a guide to develop two scenarios (see attached):

1. Based strictly on the averages from the scoring sheets.
2. Equalized allocation amounts for similar organizations with an emphasis on local housing shelters and food shelves.

Council may choose one of the scenarios presented or make modifications. The Council recommended funding for each organization will be what is brought forward for the 2025 Charitable Gambling Fund budget for adoption on December 16. Staff anticipates disbursing the awards and recognizing the benefiting non-profits at the February 3, 2025 City Council Meeting.

Fund Background

The City's Charitable Gambling Fund was established in 1993 to account for the proceeds of a ten percent (10%) contribution that charitable gambling organizations operating within Blaine are required to submit to the City (Code Section 22-384). Organizations participating in charitable gambling as of 2024 are:

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

Revenues

Actual charitable gambling contributions received were $215,265 in 2022 and $192,818 in 2023. For 2024, based on current year-to-date activity and historical trends, it's anticipated the final contributions will be close to the budgeted amount of $175,000. Given the volatility of this funding source, the current budget for 2025 is presented to be consistent with the 2024 budget.

Expenditures

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

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

See attached fund summary.

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

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

Staff Recommendation

Questions for Council

Does Council support either of the 2025 Charitable Gambling award scenarios as presented?

Attachment List

1. 2025 Charitable Gambling Fund - Presentation
2. 2025 Charitable Gambling Fund Summary
3. 2025 Charitable Gambling Fund - All Scores
4. MN Gambling Control Board - Charitable Gambling Contribution Guide for Cities
5. Blank LG510 City or County Annual Report on 10% Lawful Gambling Contribution Fund

Charitable Gambling Fund

Council Workshop| Finance

11/13/2024

Charitable Gambling Fund Overview

Purpose

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

Background

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

Contributing Organizations (2024)

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

Eligible Uses (State Statute Section 349.12 subd. 25)

- To a 501(c)(3) organization or a 501(c)(4) festival organization
- To relieve effects of poverty, homelessness, or disability
- For programs for education, prevention, or treatment of problem gambling
- To a public or private nonprofit school
- To a scholarship fund
- For recognition of military service or support for active military personnel/immediate family members in need
- For recreational activities and facilities for youth
- For expenditures for police, fire, and other emergency or public safety-related services, equipment, and training
- To a church
- For citizen monitoring/data collection of surface water quality by individuals (PCA)
- For wildlife management projects and activities that benefit the public-at-large (DNR)
- For nutritional programs, food shelves, and congregate dining programs primarily for persons aged 62 or older or disabled
- For community arts organizations, or sponsorship of community arts programs
- For humanitarian service, recognizing volunteerism or philanthropy
- For supplies and materials for DNR coordinated education programs/safety training
- For trail grooming or maintenance on trails open to public use (DNR)

Procedure/Policy

Allocate Funds

Scoring sheet with requesting organizations distributed to council

Applications provided to council

Council to submit recommended allocations for each organization

Average of Allocations Becomes Proposed Budget

At least 3 councilmembers must allocate funds to an organization for it to receive funding

Staff to average councilmember allocations

Council to receive a tabulated score sheet with:

- All councilmember allocations
- Recommended award options

Councilmembers Scoring Sheets

	Organization	2024 Dollars Awarded	2025 Amount Requested	Councilmember #1	Councilmember #2	Councilmember #3	Councilmember #4	Councilmember #5	Councilmember #6	Councilmember #7
Prior Year Requests	Alexandra House Inc	75,000	75,000	75,000	75,000	50,000	75,000	75,000	50,000	No Response
	Anoka County Composite Squadron	5,000	7,500	3,000	7,500	5,000	5,000	5,000	5,000	
	Beyond the Yellow Ribbon	2,500	2,500	1,500	2,500	2,500	2,500	2,500	2,500	
	Blaine Band Boosters - Blaine Marching Band	-	1,500	-	-	-	-	-	1,500	
	Crime Stoppers of Minnesota	-	1,000	-	-	-	-	-	1,000	
	Family Promise in Anoka County	12,000	12,500	10,000	12,500	12,000	12,000	10,000	12,500	
	Hope 4 Youth	12,000	15,000	12,000	15,000	12,000	12,000	10,000	12,000	
	Hope for the Community	12,000	15,000	12,000	15,000	12,000	12,000	10,000	15,000	
	Impact Services, Inc	5,000	10,000	7,500	5,000	5,000	5,000	5,000	10,000	
	Jam Hope Foundation	5,000	10,000	-	5,000	-	-	-	-	
	Minnesota 100 Club	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
	SBM Fire - Annual fireworks show	40,000	40,000	40,000	20,000	40,000	40,000	40,000	40,000	
	Stepping Stone Emergency Housing	12,000	12,000	8,818	12,000	12,000	12,000	10,000	12,000	
	The Salvation Army Blaine Office	12,000	10,000	8,000	10,000	10,000	10,000	10,000	10,000	
	Way of the Lord food shelf	12,000	12,000	10,000	8,000	12,000	-	10,000	12,000	
New Requests	Blaine Youth Football	-	5,000	-	-	5,000	-	-	1,000	
	Cars for Neighbors, Inc	-	12,000	-	-	-	-	-	1,000	
	Grace Incorporated	-	10,000	-	-	-	-	-	1,000	
	Robert-Wilma Burbach Bike Foundation DBA Bike4Kids	-	5,000	-	-	-	-	-	1,000	
	Superman Sam's Survival Kit	-	5,000	-	-	-	-	-	318	
*	Centennial Community Food Shelf	3,000	-	-	3,000	3,000	2,318	-	-	
	Total	**$212,500**	**$266,000**	**$192,818**	**$195,500**	**$185,500**	**$192,818**	**$192,500**	**$192,818**	**$0**
	Remaining to allocate			**$0**	**-$2,682**	**$7,318**	**$0**	**$318**	**$0**	**$192,818**

* No form returned; leaving Council the option to allocate funding

Available funding for 2025 is $192,818

Award Amount Scenario Options

	Organization	2024 Dollars Awarded	2025 Amount Requested	Scenario 1 - Average Allocation	Scenario 2 - Shelter & Food Shelf Focused
Prior Year Requests	Alexandra House Inc	75,000	75,000	67,934	72,000
	Anoka County Composite Squadron	5,000	7,500	5,169	4,000
	Beyond the Yellow Ribbon	2,500	2,500	2,371	2,500
	Blaine Band Boosters - Blaine Marching Band	-	1,500	-	-
	Crime Stoppers of Minnesota	-	1,000	-	-
	Family Promise in Anoka County	12,000	12,500	11,703	10,000
	Hope 4 Youth	12,000	15,000	12,384	10,000
	Hope for the Community	12,000	15,000	12,893	11,500
	Impact Services, Inc	5,000	10,000	6,360	4,000
	Jam Hope Foundation	5,000	10,000	-	-
	Minnesota 100 Club	5,000	5,000	5,000	5,000
	SBM Fire - Annual fireworks show	40,000	40,000	37,316	40,000
	Stepping Stone Emergency Housing	12,000	12,000	11,336	10,000
	The Salvation Army Blaine Office	12,000	10,000	9,840	10,000
	Way of the Lord food shelf	12,000	12,000	8,823	11,500
New Requests	Blaine Youth Football	-	5,000	-	-
	Cars for Neighbors, Inc	-	12,000	-	-
	Grace Incorporated	-	10,000	-	-
	Robert-Wilma Burbach Bike Foundation DBA Bike4Kids	-	5,000	-	-
	Superman Sam's Survival Kit	-	5,000	-	-
*	Centennial Community Food Shelf	3,000	-	1,689	2,000
	Total	**$212,500**	**$266,000**	**$192,818**	**$192,500**
	Remaining to allocate			**$0**	**$318**

- Available funding for 2025 is $192,818
- * No form returned; leaving Council the option to allocate funding
- Finance will send letters to all requesting organizations upon award decision

Charitable Gambling Council Questions

- Does Council support either of the 2025 Charitable Gambling award scenarios as presented?

CITY OF BLAINE, MINNESOTA

CHARITABLE GAMBLING FUND - 240

2025 Budget

	2023 Actual	2024 Adopted	2025 Requested
Beginning Fund Reserve	**247,497**	**253,064**	**215,564**
Revenues			
Investment earnings	$ 7,249	$ -	$ -
Charitable Gambling Contributions	192,818	175,000	175,000
Total	**200,067**	**175,000**	**175,000**
Expenses			
Existing Requests			
Alexandra House	60,000	75,000	75,000
Beyond the Yellow Ribbon	2,500	2,500	2,500
Boy Scout Troop 3509	750	-	-
Centennial Community food shelf	12,000	3,000	-
Civil Air Patrol (Anoka County Composite Squadron)	5,000	5,000	7,500
Crime Stoppers of Minnesota	-	-	1,000
Family Promise in Anoka County	12,000	12,000	12,500
Hope 4 Youth	12,000	12,000	15,000
Hope for the Community food shelf	12,000	12,000	15,000
Impact Services Meals on Wheels & More	-	-	10,000
Jam Hope Foundation	-	-	10,000
Minnesota 100 Club	5,000	5,000	5,000
Salvation Army food shelf	12,000	12,000	10,000
SBM Fire - Annual fireworks show	35,000	40,000	40,000
Senior High Schools			-
Blaine High School Senior All Night Party	750	-	-
Centennial High School Senior Party	750	-	-
Spring Lake Park High School Senior Party	750	-	-
Stepping Stone	12,000	12,000	12,000
Way of the Lord food shelf	12,000	12,000	12,000
New Requests			
Blaine Band Boosters - Marching Band	-	-	1,500
Blaine Youth Football	-	-	5,000
Cars for Neighbors, Inc.	-	-	12,000
Grace Incorporated	-	-	10,000
Impact Services Meals on Wheels & More	-	5,000	-
Jam Hope Foundation	-	5,000	-
Robert-Wilma Burbach Bike Foundation DBA Bikes4Kids	-	-	5,000
Superman Sam's Survival Kit	-	-	5,000
Total	**194,500**	**212,500**	**266,000**
Increase (decrease) in fund reserve	**5,567**	**(37,500)**	**(91,000)**
Ending Fund Reserve	**$ 253,064**	**$ 215,564**	**124,564**

2025 Charitable Gambling Funds

	Organization	2024 Dollars Awarded	2025 Amount Requested	Councilmember #1	Councilmember #2	Councilmember #3	Councilmember #4	Councilmember #5	Councilmember #6	Councilmember #7	Scenario 1 - Average Allocation	Scenario 2 - Shelter & Food Shelf Focused
Prior Year Requests	Alexandra House Inc	75,000	75,000	75,000	75,000	50,000	75,000	75,000	50,000	No Response	67,934	72,000
Prior Year Requests	Anoka County Composite Squadron	5,000	7,500	3,000	7,500	5,000	5,000	5,000	5,000		5,169	4,000
Prior Year Requests	Beyond the Yellow Ribbon	2,500	2,500	1,500	2,500	2,500	2,500	2,500	2,500		2,371	2,500
Prior Year Requests	Blaine Band Boosters - Blaine Marching Band	-	1,500	-	-	-	-	-	1,500		-	-
Prior Year Requests	Crime Stoppers of Minnesota	-	1,000	-	-	-	-	-	1,000		-	-
Prior Year Requests	Family Promise in Anoka County	12,000	12,500	10,000	12,500	12,000	12,000	10,000	12,500		11,703	10,000
Prior Year Requests	Hope 4 Youth	12,000	15,000	12,000	15,000	12,000	12,000	10,000	12,000		12,384	10,000
Prior Year Requests	Hope for the Community	12,000	15,000	12,000	15,000	12,000	12,000	10,000	15,000		12,893	11,500
Prior Year Requests	Impact Services, Inc	5,000	10,000	7,500	5,000	5,000	5,000	5,000	10,000		6,360	4,000
Prior Year Requests	Jam Hope Foundation	5,000	10,000	-	5,000	-	-	-	-		-	-
Prior Year Requests	Minnesota 100 Club	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000		5,000	5,000
Prior Year Requests	SBM Fire - Annual fireworks show	40,000	40,000	40,000	20,000	40,000	40,000	40,000	40,000		37,316	40,000
Prior Year Requests	Stepping Stone Emergency Housing	12,000	12,000	8,818	12,000	12,000	12,000	10,000	12,000		11,336	10,000
Prior Year Requests	The Salvation Army Blaine Office	12,000	10,000	8,000	10,000	10,000	10,000	10,000	10,000		9,840	10,000
Prior Year Requests	Way of the Lord food shelf	12,000	12,000	10,000	8,000	12,000	-	10,000	12,000		8,823	11,500
New Requests	Blaine Youth Football	-	5,000	-	-	5,000	-	-	1,000		-	-
New Requests	Cars for Neighbors, Inc	-	12,000	-	-	-	-	-	1,000		-	-
New Requests	Grace Incorporated	-	10,000	-	-	-	-	-	1,000		-	-
New Requests	Robert-Wilma Burbach Bike Foundation DBA Bike4Kids	-	5,000	-	-	-	-	-	1,000		-	-
New Requests	Superman Sam's Survival Kit	-	5,000	-	-	-	-	-	318		-	-
*	Centennial Community Food Shelf	3,000	-	-	3,000	3,000	2,318	-	-		1,689	2,000
	Total	**$212,500**	**$266,000**	**$192,818**	**$195,500**	**$185,500**	**$192,818**	**$192,500**	**$192,818**	**$0**	**$192,818**	**$192,500**
	Remaining to allocate			**$0**	**-$2,682**	**$7,318**	**$0**	**$318**	**$0**	**$192,818**	**$0**	**$318**

** No form returned from these organizations; leaving Council the option to allocate funding*

Guide for Cities

How Cities May Spend 10% Lawful Gambling Contributions Required from Charities

Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113
651-539-1900
www.mn.gov/gcb

Minnesota Statutes, section 349.213, subdivision 1, paragraph (f)(2), allows a local unit of government to require, by ordinance, a licensed organization to contribute up to 10% of the organization's net profits derived from lawful gambling to a fund administered by the local unit of government. Net profits are gross profits less sums actually expended for allowable expenses and amounts paid in taxes assessed on lawful gambling.

The funds must be disbursed by the city for charitable contributions as defined by section 349.12, subdivision 7a:

Cities that collect funds from charitable gambling proceeds must spend the money the same way as charities do—for defined charitable purposes.

- A city may donate 10% lawful gambling funds:
  - √ For activities and facilities for youth under age 21.
  - √ To a 501(c)(3) organization provided that the city does not retain control of these funds.
  - √ To a scholarship fund.
  - √ To relieve the effects of poverty, homelessness, or disability (for example, a homeless shelter).
  - √ To a program for the education, prevention, or treatment of problem gambling.
  - √ For recognition of military service (free and open to the public) or support for active military personnel and their immediate family members in need.
  - √ To a church.
  - √ With Minnesota Pollution Control Agency (PCA) approval, for citizen monitoring of surface water quality by individuals (requires submitting data to the PCA).
  - √ With Minnesota Department of Natural Resources (DNR) approval, for wildlife management projects or activities that benefit the public-at-large; grooming or maintaining snowmobile or ATV trails, or other trails open to public use; supplies and materials for DNR-coordinated safety training and education programs.
  - √ For nutritional programs, food shelves, and congregate dining programs primarily for persons age 62 or older or disabled.
  - √ For community arts organizations, or sponsorship of community arts programs that are free and open to the public.
  - √ For humanitarian service, recognizing volunteerism or philanthropy.

- A city may not transfer 10% lawful gambling funds to other city accounts (for example, its own parks and recreation department, or police or fire department). A city may, however, purchase equipment and pay for services to train police, fire, or other public safety-related services, and payment must be written directly to the vendor. Examples include purchasing a police car, a fire truck, playground equipment, and training courses for police and firefighters.

- If a city contracts out for law enforcement services or other emergency services, it may spend 10% lawful gambling funds for those services (excluding pension obligations). The check must be written directly to the outside entity providing those law enforcement services.

- While a city may not donate 10% lawful gambling funds to its city parks and recreation department, it may donate 10% funds for playground equipment within a city park (allowed under activities and facilities for youth under age 21), or for construction or maintenance of a veterans memorial within a city park (recognition of military service). The checks must be written directly to the vendor. (Also, playground equipment and veterans memorials need not be located in a city park.)

The city must submit form LG510 City or County Annual Report, 10% Lawful Gambling Contribution Fund, to the Minnesota Gambling Control Board by March 15 of each year describing the amount collected, details for disbursement, and any balance. The LG510 is available at *www.mn.gov/gcb*.

The Board will continue to monitor the receipt, proper disbursement, and fund balances. If you have any questions about what is or is not allowed, please call the Minnesota Gambling Control Board at 651-539-1951.

10/18

LG510 City or County Annual Report, 10% Lawful Gambling Contribution Fund

10% Lawful Gambling Contribution Fund Allowance

Minnesota Statutes, Section 349.213, Subdivision 1, Paragraph (f)(2), allows a city or county to require (by ordinance) an organization to contribute up to 10% per year of net profits to a fund that the city or county administers.

For purposes of the 10% contribution, net profits are gross profits less amounts expended for that site's allowable expenses and portion of lawful gambling taxes.

* The 10% contribution requirement may only be applied to net profits derived from lawful gambling conducted at premises within the city or county's jurisdiction.
* A city or county may request from an organization a copy of the site's LG100A showing that site's net profit.
* Organizations must make 10% fund checks payable to the city or county requiring the funds, and not to any other payee.
* A licensed organization that contributes to the 10% fund may not be a beneficiary of that fund.
* A required contribution is different from a voluntary contribution to units of government (under lawful purpose Code A10) for government programs and projects, and cities or counties are not required to report voluntary contributions to the Board.

City or County Information

City or County Name (may not be township): ______________________________ This report is for calendar year 20________

Address: ______________________________City: ____________________, MN Zip:

Financial Information, 10% Lawful Gambling Contribution Fund

1. Contribution rate .... 1. ____________%

- Up to 10% per year of net profits (may not exceed 10%; may not be a variable rate).

2. Fund balance as of December 31 of previous calendar year .... 2. $______________

- If none or negative, enter 0.

3. Interest earned, if any, on fund balance for the calendar year .... 3. $______________

4. Contributions received from licensed organizations for the 10% contribution fund:

- Use separate line for each site in your jurisdiction; use additional sheets if necessary.
- You may use one total for "Amount Contributed" per organization, rather than per site.
- Checks for contributions to the 10% fund ***must be written to the city or county*** and deposited in a fund administered by the city or county before the city or county may make expenditures from this fund.
- Do not include amounts received for a local gambling regulatory tax or an investigation fee, or any voluntary contributions made to a city or county by an organization (see LG555).

Name of Licensed Organization	Organization License #	Site/Premises Name	Amount Contributed
		Enter total amount contributed on Line 4	$ 0.00

4. $ 0.00

5. Total required contributions and interest (add Lines 2, 3, and 4) .... 5. $ 0.00

6. From Page 2, enter total of expenditures the city or county made from its 10% fund .... 6. $ 0.00
(Note: The Line 6 amount may not exceed the amount of Line 5.)

7. Year-end balance on December 31 (Line 5 minus Line 6; enter 0 if negative balance) .... 7. $ 0.00

Continued on Page 2

LG510 City or County Annual Report—10% Lawful Gambling Contribution Fund

City or County Name:

Expenditures from 10% Contribution Fund - Payee/Recipient Information

6. List all expenditures made from the 10% contribution fund, using the A codes listed on Page 3 to describe the purpose of the contribution. Expenditures may only be used for the A code purposes listed on Page 3. Include a detailed description of each expenditure. Note: Contributions made from a city's or county's 10% lawful gambling contribution fund are subject to the same expenditure requirements as licensed lawful gambling organizations. Contributions may not be made to organization contributing to the 10% fund.

Code*	Payee/Recipient	Detailed Description/Purpose of Expenditure	Amount
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
A			
		6. TOTAL	$ 0.00

*** Use the Codes listed on Page 3**

(Enter Total on Page 1, Line 6)

LG510 City or County Annual Report, 10% Lawful Gambling Contribution Fund

City or County Name:

*** Use the codes listed below to describe expenditures from the 10% lawful gambling contribution fund.**

A1	To a 501(c)(3) organization or a 501(c)(4) festival organization.
A2	To relieve effects of poverty, homelessness, or disability.
A3	Program for education, prevention, or treatment of problem gambling.
A4	To a public or private nonprofit school.
A5	To a scholarship fund.
A6	For recognition of military service (open to the public) or support for active military personnel and their immediate family members in need.
A7	Activities and facilities for youth.
A10	Expenditures for police, fire, and other emergency or public safety-related services, equipment, and training. Not allowed: Contribution to pension or retirement fund.
A11	To a church.
A12	With Minnesota Pollution Control Agency (PCA) approval, citizen monitoring of surface water quality by individuals. Requires submission of data to PCA.
A13	With DNR approval, wildlife management projects or activities that benefit the public-at-large; grooming or maintaining snowmobile or all-terrain vehicle trails, or other trails open to public use; supplies and materials for DNR-coordinated safety training and education programs.
A14	For nutritional programs, food shelves, and congregate dining programs primarily for persons age 62 or older or disabled.
A15	For community arts organizations, or sponsorship of community arts programs.
A19	For humanitarian service, recognizing volunteerism or philanthropy.

City or County Acknowledgment

☐ 1. I am the official responsible for the financial reporting of the city's or county's 10% lawful gambling contribution fund under Minn. Stat. § 349.213, subd. 1.

☐ 2. I affirm that the contributions received were deposited into a fund administered by the city or county.

☐ 3. I am aware of the restrictions under Minnesota law on expenditures from this fund and affirm that the expenditures meet the definition of charitable contributions as defined in Minn. Stat. § 349.12, subd. 7a, or are for police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations, are accounted for in a manner consistent with generally accepted accounting principles, and that the city or county does not retain control of funds once they are expended from the city's or county's account.

☐ 4. I have reviewed this report and affirm that the revenues, expenditures, and the fund balance reflect all contributions received and expenditures from the 10% contribution fund, and is a true, correct, and complete report.

Signature of City or County Official	Title	Date

Print Name	Phone Number	Email Address

By March 15 each year email, fax, or mail the LG510 to:

Minnesota Gambling Control Board
Attention: City Reports
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Email: gcbcity.reports@state.mn.us
Fax: 651-639-4032

Questions? Call 651-539-1900

The information on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities. This form will be made available in alternative format upon request.

City of Blaine
Staff Report

File Number: 2024-511

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

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

Agenda Item # 3.3

2025 EDA Budget and Property Tax Levy

Background

To begin the 2025 budget and property tax levy setting process, 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 focused on the EDA operating budget and funding available for capital related development/redevelopment initiatives.

At the August 19 City Council Workshop, staff presented information on the 2025 EDA budget, including background and initiatives, as well as the current state of the EDA Wetland Bank Fund, EDA Capital Fund, and the EDA Operating Fund. Staff provided potential scenarios and preliminary tax levy options which ranged from a zero percent to 20 percent increase from the 2024 levy.

At the September 4 City Council Workshop, staff reviewed the 2025 EDA budget and preliminary tax levy options. The consensus by Council was support for scenario three. The flexibility provided at this preliminary levy target was intended to provide the Council with an opportunity to gather more information regarding known and potential strategic opportunities before the final levy is set in December.

On September 16, the EDA formally adopted the 2025 proposed EDA tax levy at $1,150,000, with the intention of committing the 15% increase from the 2024 EDA levy for dedicated capital development programs. As a reminder, the final levy that must be adopted in December may not exceed the proposed levy.

EDA Background

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 initial discussions with the master developer contemplated closing on the

EDA-owned property as development commenced, which would have been at some time in 2027 or 2028 with the majority of property in the east district, the developers' bank financing as currently structured requires conveyance of property to secure the loan. With this updated structure in mind, a draft loan has been prepared which would defer any payment back to the City until late 2028, with a balloon payment in 2032. This will allow the developer to comply with their banking covenants and clearly outline the City's timeline for repayment.

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 to 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
Assuming the levy currently incorporated for 2024 is the appropriate basis for the EDA 2025 operating budget, the following table was presented to Council at the August 19, 2024, Council Workshop to accommodate the establishment of a dedicated levy to provide for future economic incentives where opportunities may arise prior to the City realizing land sale proceeds along the 105th Avenue Redevelopment Area. The City Manager recommends scenario three or the $1,150,000 proposed levy be adopted as the final levy to fulfill the Board's and City Council's established strategic priorities.

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

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

Staff Recommendation

Questions for Council

Are there any questions regarding the EDA tax levy?

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.

Attachment List

1. 2025 EDA Levy Presentation
2. 2025 EDA Fund Summary

2025 Economic Development Authority (EDA) Budget and Levy

City Council Workshop| Finance

11/13/2024

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 Capital Fund

- October 2024 cash balance ≈ $(150,000)

- 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
  - Structured as a note, first payment deferred to 2028 with a balloon in 2032

- Authorized assistance for extraordinary development costs within the Southside Entertainment District
  - $1,499,000 in total

EDA Operating Fund

- October 2024 cash balance ≈ $825,000
- 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 3	2024 Adopted vs. 2025 Scenario 3	
Beginning Fund Balance	**$ 4,265,433**	**$ 4,266,517**		
REVENUES				
Tax levy	$ 1,000,000	$ 1,150,000	$ 150,000	15.0%
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**	**$ 1,227,400**	**$ 84,400**	**7.4%**
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**	**$ 72,371**		
Ending Fund Balance	**$ 4,266,517**	**$ 4,338,888**		

EDA Levy Considerations

- October 2024 cash balance for all EDA operations ≈ $675,000
- 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

City Manager's Recommendations					
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**

- On September 16, 2024, Council formally adopted the 2025 proposed EDA tax levy at $1,150,000, which represents a 15 percent increase from the 2024 EDA levy, with the increase intended to be dedicated to capital
- As a reminder, the final levy that must be adopted in December may not exceed the proposed levy

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%	0.765%	0.851%	0.894%	0.937%
Median EMV SFH	$ 327,400	$ 339,900	$ 339,900	$ 339,900	$ 339,900
EDA Tax Impact	**$ 24.32**	**$ 24.78**	**$ 27.50**	**$ 28.96**	**$ 33.07**
$ Change	**$ (3.13)**	**$ 0.46**	**$ 3.18**	**$ 4.64**	**$ 8.75**
% Change	**-11.4%**	**1.9%**	**13.1%**	**19.1%**	**36.0%**

EMV = Estimated Median Value
SFH = Single Family Home

Questions for Council

- Are there any questions regarding the EDA tax levy?
- 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 3	2024 Adopted vs. 2025 Scenario 3	
Beginning Fund Balance	**$ 4,265,433**	**$ 4,266,517**		
REVENUES				
Tax levy	$ 1,000,000	$ 1,150,000	$ 150,000	15.0%
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**	**$ 1,227,400**	**$ 84,400**	**7.4%**
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%
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Gen Fund Admin Fees	407,900	448,800	40,900	10.0%
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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**	**$ 72,371**		
Ending Fund Balance	**$ 4,266,517**	**$ 4,338,888**		

City of Blaine
Staff Report

File Number: 2024-505

Agenda Date	Status
November 13, 2024	

In Control	File Type
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.4

2025 General Fund Budget and City Property Tax Levy

Background

To begin the 2025 budget and property tax levy setting process, 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, with the direction to hold existing services flat.

At the July 15 City Council Workshop, staff provided a long-term staffing plan, including an overview of each department's functional responsibilities, current service levels, historical staffing, long-range direction, operational considerations, and future staffing requests. The future staffing requests were reviewed by the City Manager with a focus on correlating requests to the City's strategic plan, identifying expected outcomes, and measuring community impact.

At the August 19 City Council Workshop, staff presented information on the 2025 General Fund budget, including a baseline budget, levy assumptions, levy components, levy scenarios, and preliminary tax levy options, which ranged from a 15.24 percent to 18.26 percent increase from the 2024 levy. During the budget process, 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

At the September 4 City Council Workshop, staff provided additional information on the General Fund budget, which included a 2025 tax levy of $50,248,907 or 17.1 percent increase from the 2024 levy. The flexibility provided at this preliminary levy target was intended to 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 will also serve to be useful as the City has yet to issue bonds for the 2024 pavement management program and acquisition of capital equipment, and while the anticipated levy was set with existing market conditions in mind, it is subject to change prior to the anticipated sale date in November.

On September 16, Council formally adopted the 2025 proposed property tax levy at $50,248,907, which represents a 17.1 percent increase from the 2024 levy and set the 2025 Truth-in-Taxation meeting for 7:00 p.m. on Monday, December 16, 2024. As a reminder, the final levy that must be adopted in December may not exceed the proposed levy. Significant assumptions and factors impacted the General Fund budget/2025 preliminary property tax levy:

- 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 Workers' 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

Upon certification of the values approved by Council, the County Auditor is required to prepare and deliver parcel specific proposed property tax statements to each taxpayer in the City after November 10 and on or before November 24, as outlined by Minnesota State Statutes.

<u>2025 General Fund budget / Preliminary Property Tax Levy:</u>
Finance staff worked with the City Manager to review budget submissions with a focus on connecting requests to the City’s strategic plan, identifying expected outcomes, and measuring community impact. Throughout the budget and levy setting process, staff has worked to align Council priorities with available financial resources to provide property owners, residents, and visitors with quality City services at a responsible tax level. In creating the 2025 baseline budget, staff began with the 2024 adopted levy on the premise that those service levels were to be maintained, then identified additional investments needed to appropriately fund current services, advance the City's pavement management program, and increase the dedicated levy for pre-funding the acquisition of core capital equipment. The proposed property tax levy better positions the City for long-term financial sustainability, in reducing

future debt, supporting the five-year capital improvement plan, and providing flexibility to respond to the evolving needs of the community.

Category	Description	Amount	Levy Impact	Levy
2024 Adopted Levy		-	-	$42,909,600
Personnel	City-Wide Steps/Cafeteria Plan/COLA	$1,524,000	3.55%	$44,433,600
Internal Service Fund	Self-Insurance/Work Comp/Facilities	$782,300	1.83%	$45,215,900
Operational	Commodities/Services	$863,840	2.01%	$46,079,740
Operational	Internal Chargeback - Reduce Engineering Charges	$250,000	0.58%	$46,329,740
Operational	Miscellaneous Revenue Increase	$(278,100)	-0.65%	$46,051,640
City Charter Requirement	Safe Margin	$82,880	0.19%	$46,134,520
Capital	Prefunding - PMP/Equipment/Parks/SBM	$1,619,752	3.77%	$47,754,192
Debt Service	Debt Levy	$1,1894,435	2.78%	$48,943,707
Debt Service	105th Abatement	$505,200	1.18%	$49,448,907
2025 Baseline Levy		$6,539,307	15.24%	$49,448,907

Between the baseline and the proposed (maximum) tax levy is approximately 1.86 percent or $800,000 of funding. As noted, this contingency was authorized to gather more information regarding potential investment in additional staff and programming before the final levy is set in December. This additional capacity was also established as the City has yet to issue bonds for the 2024 pavement management program and acquisition of capital equipment, which may require a greater tax levy than currently modeled.

Assuming the levy currently incorporated for the 2024 bonds is sufficient to meet the City's debt covenants, the following table is a prioritized list of the City Manager's requested allocation of funding, with focus on maintaining public safety, investing in forestry management, and commitment to customer service.

Category	Description	Amount	Levy Impact	Levy
2025 Baseline Levy		-	15.24%	$49,448,907
Personnel	Police Officer - 1.0 FTE	$153,000	0.36%	$49,601,907
Personnel	Police Officer - 1.0 FTE	$153,000	0.36%	$49,754,907
Personnel	Forester - 1.0 FTE	$143,566	0.33%	$49,898,473
Personnel	Commercial Building Inspector - 1.0 FTE	$132,974	0.30%	$50,031,447
Personnel	Parks and Recreation Receptionist (MAYC) - 0.5 FTE	$38,630	0.09%	$50,070,077
Personnel	Public Works Seasonal	$98,830	0.23%	$50,168,907
Operational	SWAT Expense - Anoka County Sheriffs Office	$24,000	0.06%	$50,192,907

Operational	CSO Squad Cameras - Jail Transports	$6,000	0.01%	$50,198,907
Operational	Vehicle Maint Costs - Aging units, advanced electronics/emissions, specialized equip	$50,000	0.12%	$50,248,907
2025 Maximum Levy		$800,000	17.10%	$50,248,907

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

Staff Recommendation

Staff is requesting a consensus from Council on a levy target to allow ample time to prepare materials for the December 16 Truth-in-Taxation meeting.

Questions for Council

Are there any questions regarding the General Fund tax levy?

Is there a consensus regarding the appropriate General Fund tax levy for 2025? As a reminder, the final tax levy adopted in December may not exceed the preliminary levy set in September.

Is any further information needed before adopting the final 2025 General Fund budget and City property tax levy in December?

Attachment List

1. 2025 General Fund Budget Presentation
2. Proposed 2025 Property Tax Levy - Exhibit A
3. Proposed 2025 Property Tax Levy - Exhibit B

2025 General Fund Budget and Property Tax Levy

City Council Workshop| Finance

11/13/2024

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***

City of Blaine Core Services

Public Safety

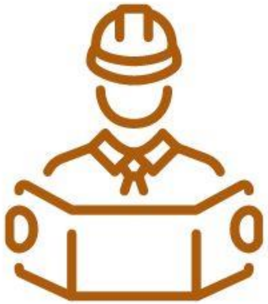
Public Works

Parks and Recreation

Community Development

Financial Oversight

Administration



Engineering

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

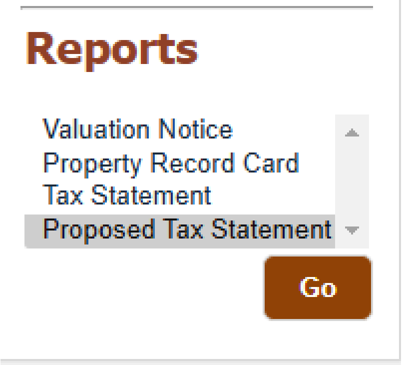
November
Proposed tax statements are mailed; 2nd half property taxes due to Anoka and Ramsey Counties

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

Proposed 2025 Taxes

- State Statutes 275.065 Sub. 3; Notice of Proposed Property Tax Statements
  - “The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes.”

- Anoka County has posted statements online



PROPOSED TAXES 2025

THIS IS NOT A BILL. DO NOT PAY.

Step 1 — VALUES AND CLASSIFICATION

Taxes Payable Year:	2024	2025
Estimated Market Value	$327,700	$331,200
Homestead Exclusion	$7,747	$16,742
Other Exclusion/Deferrals	$0	$0
Taxable Market Value	$319,953	$314,458
Class	RES HSTD	RES HSTD

Step 2 — PROPOSED TAX

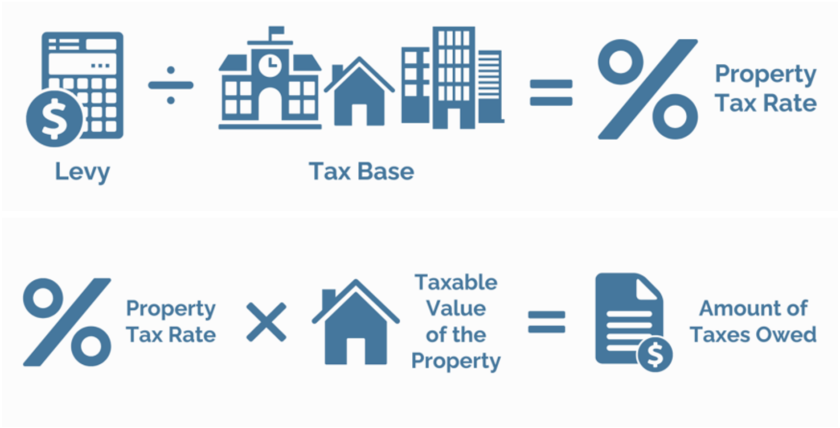
Property Taxes before credits	$3,545.68
School building bond credit	
Agricultural market value credit	
Other credits	
Property Taxes after credits	$3,545.68

Step 3 — PROPERTY TAX STATEMENT
Coming in 2025

The time to provide feedback on PROPOSED LEVIES is NOW
It is too late to appeal your value without going to Tax Court.

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



Legislative Changes for Taxes Payable 2025

- Change to Low Income Rate
  - Class 4d becomes 4d(1) and the classification is changed from a two-tiered formula to a single tier at a classification rate of 0.25 percent
  - Laws of MN 2023, Chapter 64, Article 3, Section 15 and Section 18
  - Effective for taxes payable in 2025 and thereafter
  - Previously the 1st tier had a class rate of 0.75 percent, and the 2nd tier had a class rate of 0.25 percent

- Change to Homestead Market Value Exclusion Calculations
  - The exclusion is equal to 40 percent of the first $95,000 (was $76,000) minus 9 percent of the value between $95,000 to $517,200 (was $76,000 to $413,800)
  - For a homestead valued at $517,200 or more (was $413,800), there is no valuation exclusion

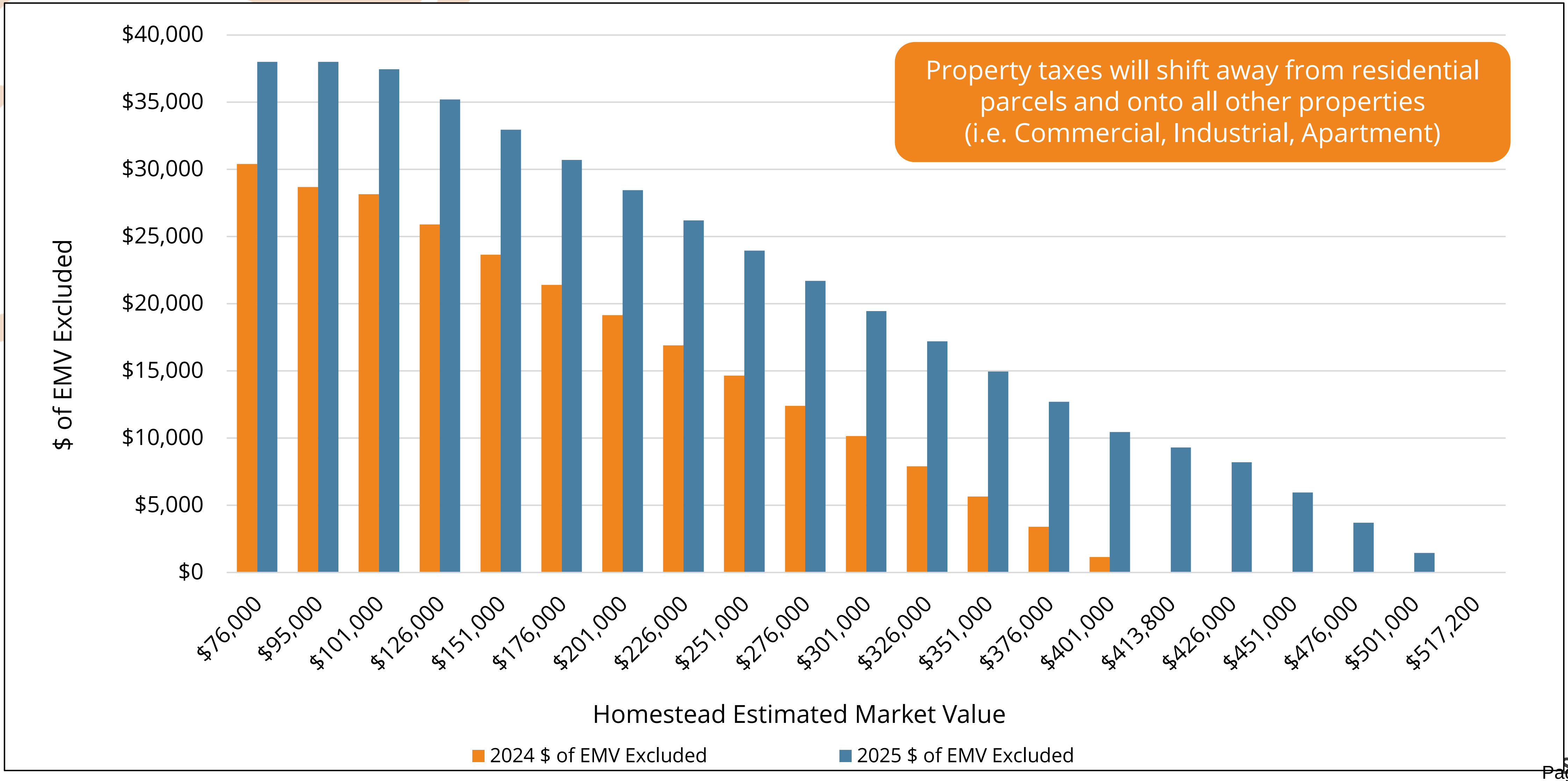
Tax Class Rates

Class	Property Type (major property types only)	2024 Class Rate	2025 Class Rate	Subject to State Tax?	Subject to School Operating Referendum Levies?
1	**Homestead**				
1a	Residential homestead				
	Up to $500,000	1.00%	1.00%	No	Yes
	Over $500,000	1.25%	1.25%	No	Yes
2	**Agricultural**				
2a	Agricultural homestead				
	House, garage, & 1 acre: up to $500,000	1.00%	1.00%	No	Yes
	House, garage, & 1 acre: over $500,000	1.25%	1.25%	No	Yes
	Agricultural land & buildings				
	Up to $1,890,000	0.50%	0.50%	No	No
	Over $1,890,000	1.00%	1.00%	No	No
2b	Agricultural nonhomestead	1.00%	1.00%	No	No
2c	Nonhomestead rural vacant land	1.00%	1.00%	No	No
3	**Commercial/Industrial/Public Utility**				
3a	Commercial/Industrial/Public Utility				
	Up to $150,000	1.50%	1.50%	Yes*	Yes
	Over $150,000	2.00%	2.00%	Yes*	Yes
	Electric generation attached machinery	2.00%	2.00%	No	Yes
4	**Other Residential**				
4a	Apartments (4 or more units)	1.25%	1.25%	No	Yes
4bb	Residential nonhomestead single unit:				
	Up to $500,000	1.00%	1.00%	No	Yes
	Over $500,000	1.25%	1.25%	No	Yes
4b	Residential nonhomestead 2-3 unit and undeveloped land	1.25%	1.25%	No	Yes
4c	Seasonal recreational residential (noncommercial):				
	Up to $500,000	1.00%	1.00%	Yes**	No
	Over $500,000	1.25%	1.25%	Yes**	No
4d	Low-income apartments:				
	Up to $100,000 per unit	0.75%	0.25%	No	Yes
	Over $100,000 per unit	0.25%	0.25%	No	Yes

* Subject to state general tax at commercial-industrial rate
** Subject to state general tax at seasonal recreational rate

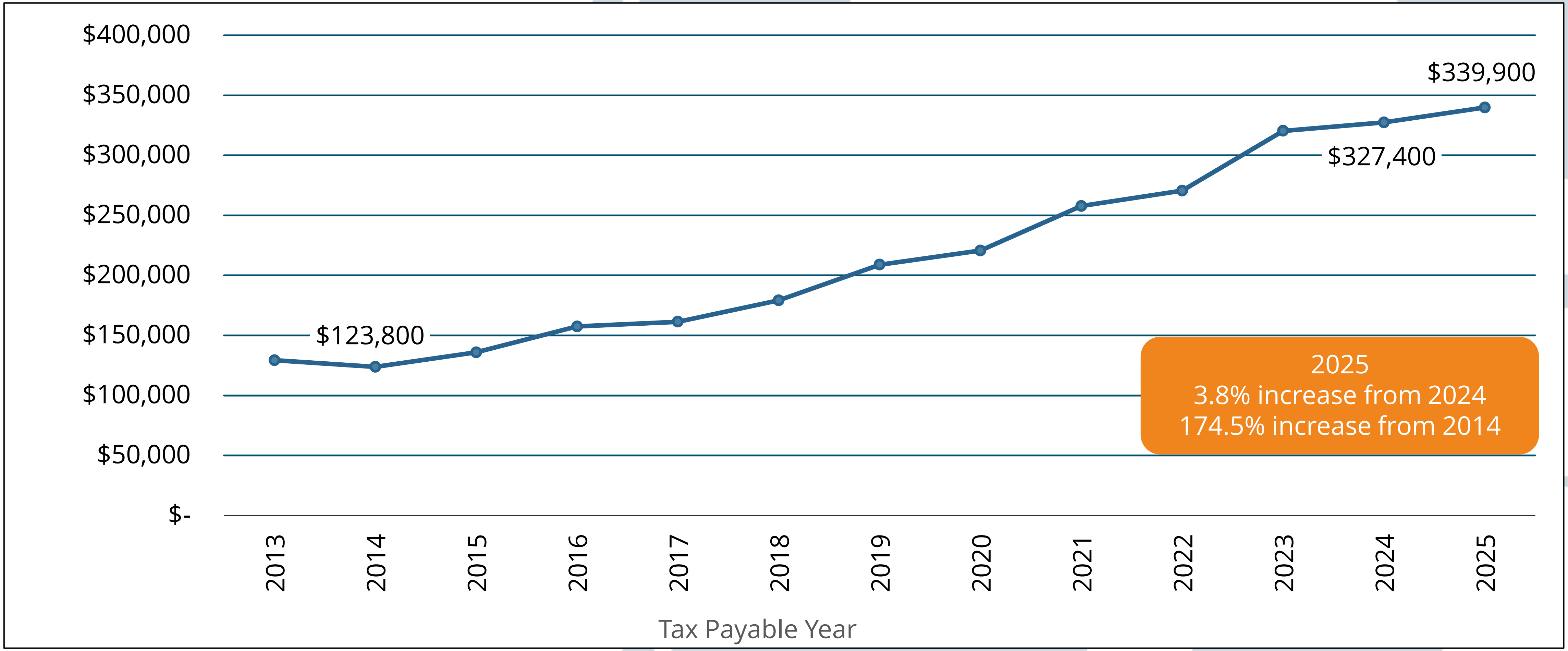
- Property in Minnesota is classified according to its use on January 2 of each year
- If not in use, it is classified according to it's most probable use
- There are four basic classes of property in the seven-county metro area
- **The reduction in the class rate for 4d(1) property will cause a property tax shift onto other properties**

Homestead Market Value Exclusion

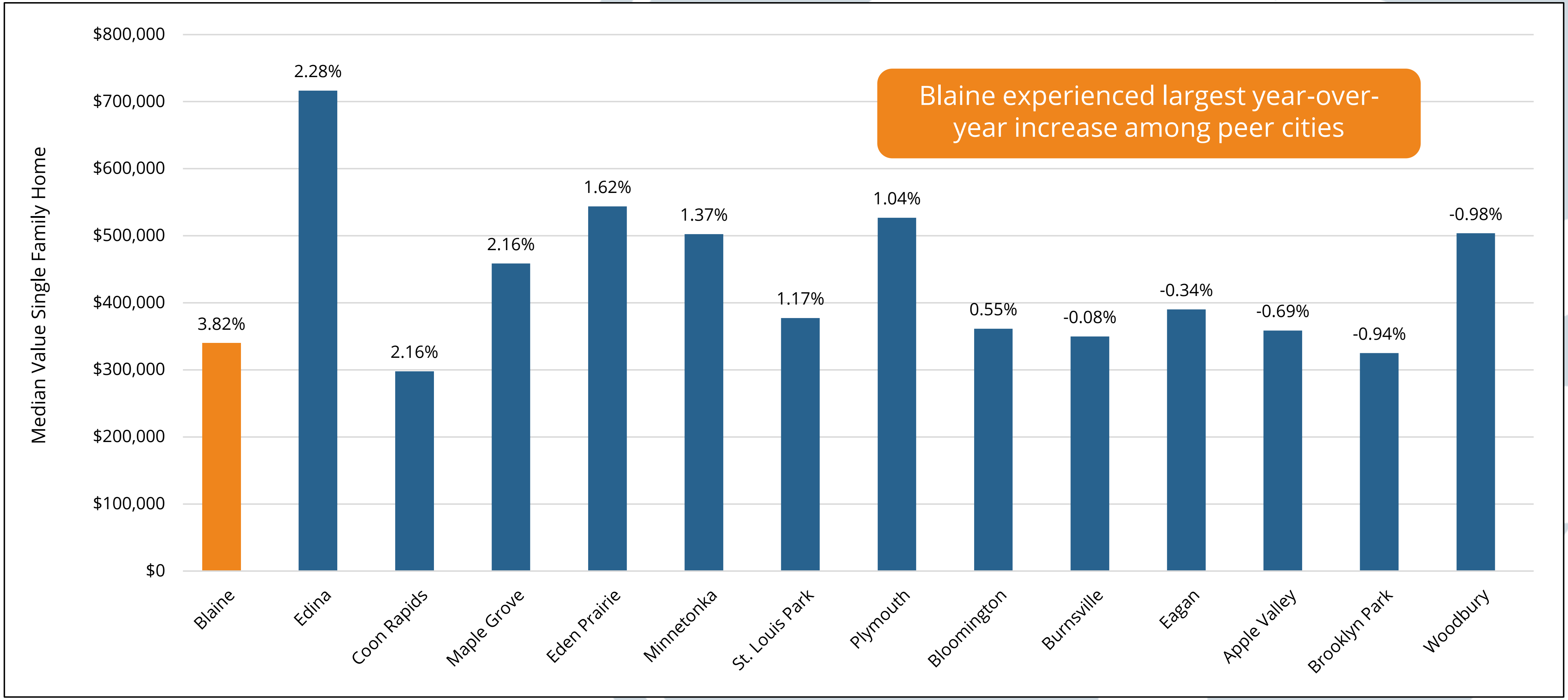


Assessed Estimated Median Value Single Family Home

(Year = Pay Year)



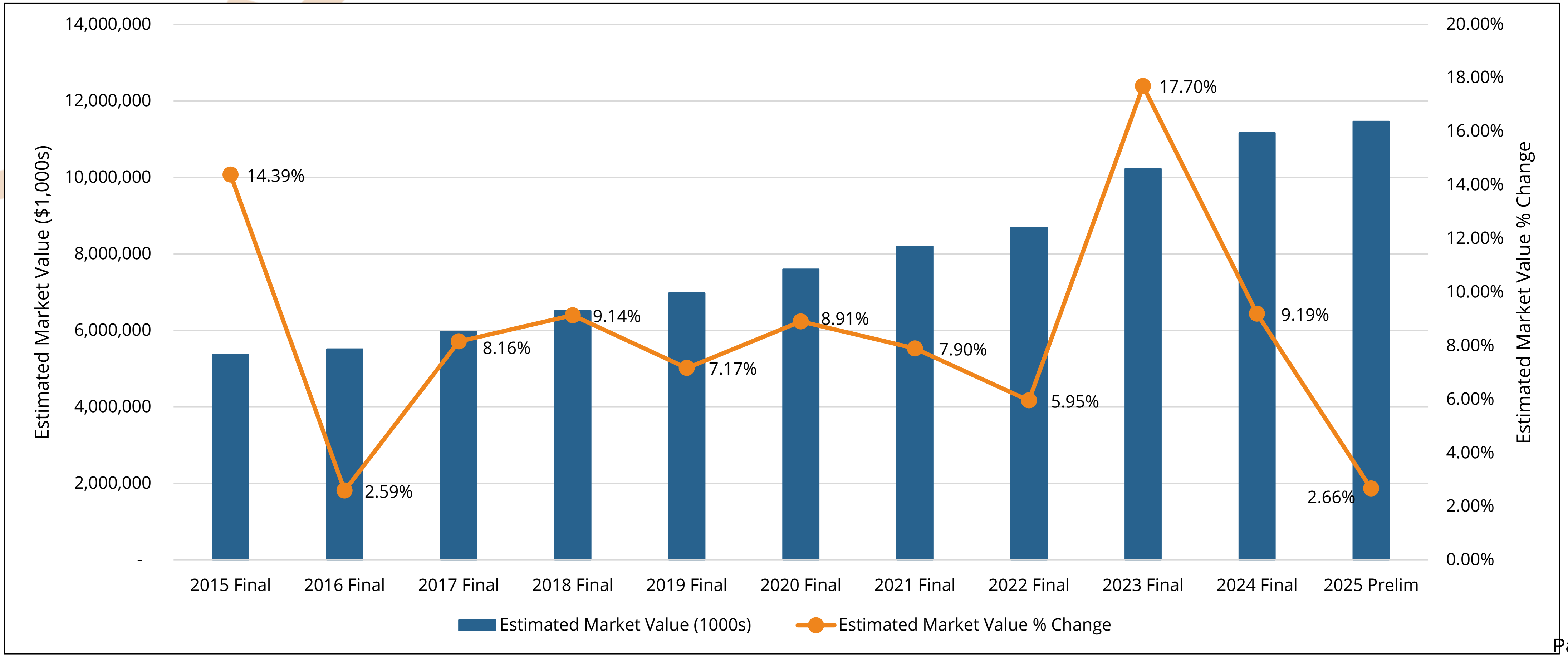
2025 Estimated Median Value Single Family Home & % Change from 2024 (Pay Year)



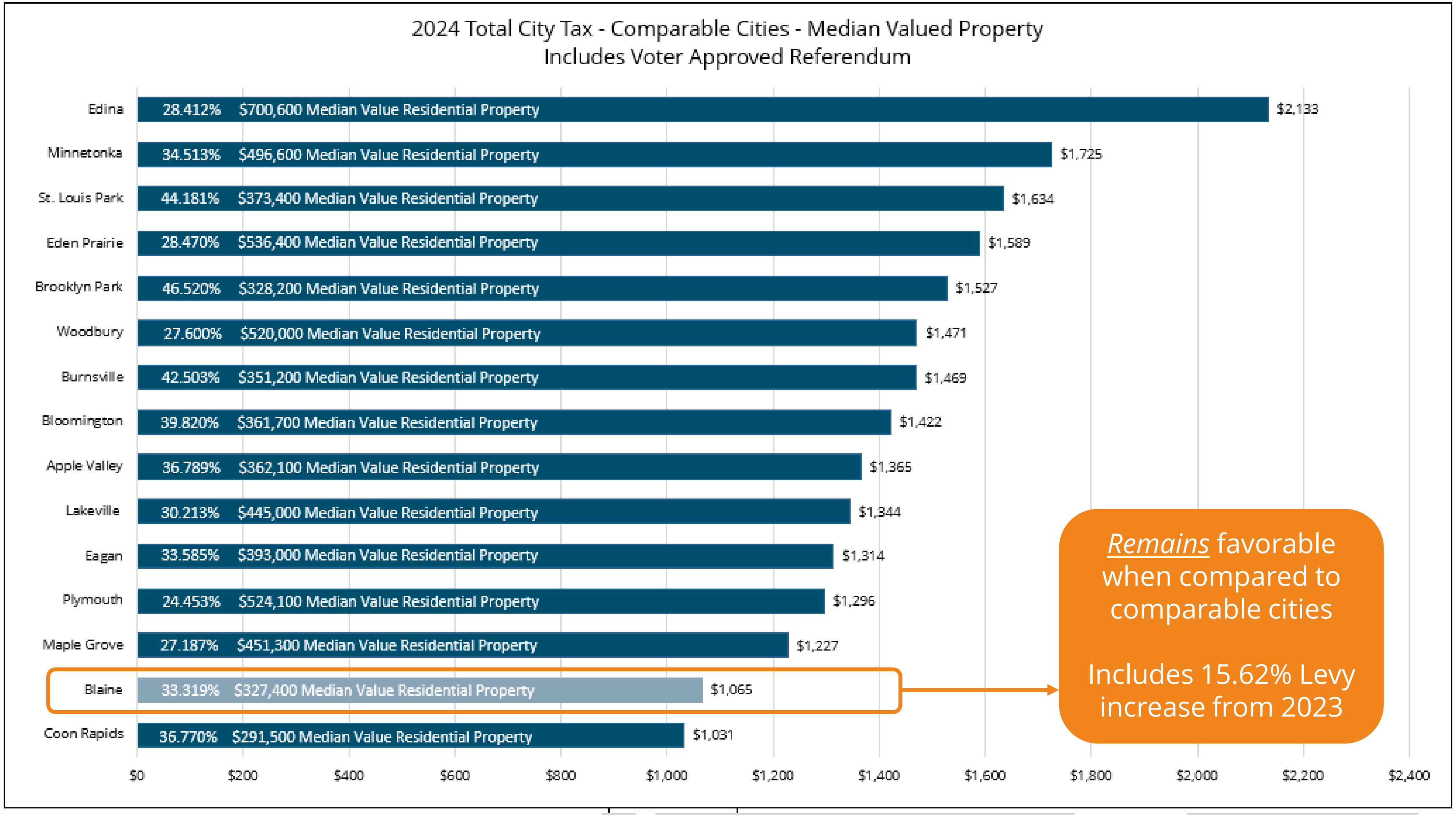
Blaine Market Valuation Trends

(Pay Year)

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



Pay 2024 Taxes – Comparable Cities



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**

2025 City Levy Scenarios – Sept 4

	2024	Scenarios for 2025 Preliminary Levy			
	2024 Final 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

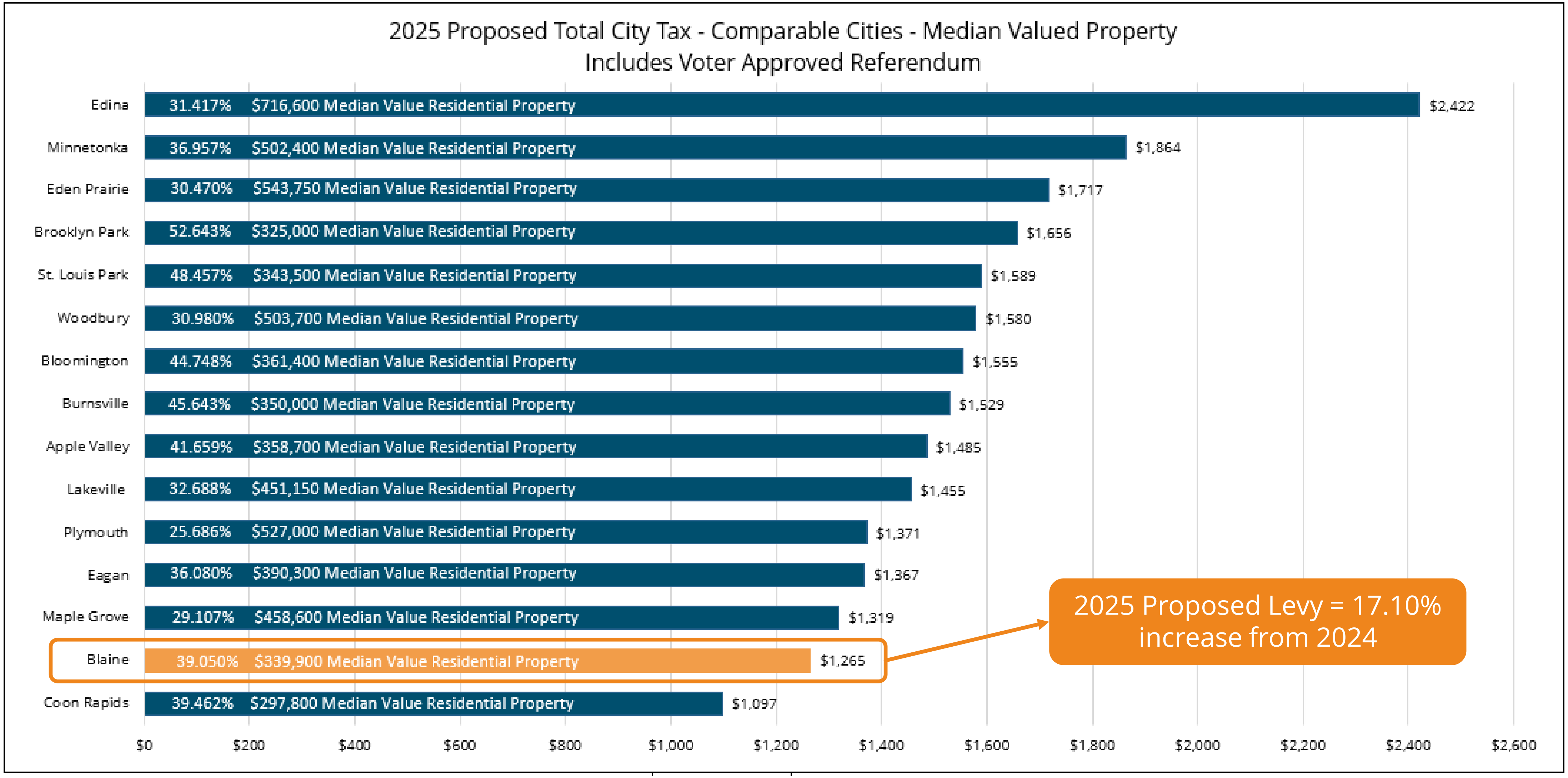
City Based Tax Rate Calculation

Pay Year	2021 Final	2022 Final	2023 Final	2024 Final	Base 2025 Levy 15.24% Increase from 2024	Proposed 2025 Levy 17.10% Increase from 2024
A. TAXABLE VALUATIONS:						
A1. Values in the City of Blaine	94,061,383	99,163,642	115,300,642	129,214,345	131,219,843	131,219,843
A2. Fiscal Disparity Contribution	(9,609,668)	(11,164,299)	(11,372,946)	(10,987,567)	(13,500,597)	(13,500,597)
A3. Tax Increment Financing Districts	(829,748)	(850,388)	(1,012,407)	(1,835,883)	(1,586,670)	(1,586,670)
A4. Values after FD and TIF	83,621,967	87,148,955	102,915,289	116,390,895	116,132,576	116,132,576
A5. Fiscal Disparity Distribution	11,465,077	12,097,905	12,488,843	12,986,102	14,706,612	14,706,612
A6. Value after Fiscal Disparity Sharing	95,087,044	99,246,860	115,404,132	129,376,997	130,839,188	130,839,188
B. TAX DOLLARS						
B1. Fiscal Disparity Adjustment	4,109,313	4,249,995	4,385,208	4,129,580	4,900,096	4,900,096
B2. Blaine Taxpayer Levy	29,375,687	30,600,005	32,726,792	38,780,020	44,548,811	45,348,811
B3. Total Tax Levy	**33,485,000**	**34,850,000**	**37,112,000**	**42,909,600**	**49,448,907**	**50,248,907**
B4. Levy Change From Prior Year ($)	2,260,000	1,365,000	2,262,000	5,797,600	6,539,307	7,339,307
B5. Levy Change From Prior Year (%)	6.75%	4.08%	6.49%	15.62%	15.24%	17.10%
C. TAX RATES						
C1. Fiscal Disparity Adjustment (B1/A5)	35.842%	35.130%	35.113%	31.800%	33.319%	33.319%
C2. Blaine Tax Capacity Levy (B2/A4)	**35.130%**	**35.113%**	**31.800%**	**33.319%**	**38.362%**	**39.050%**
C3. Blaine Tax Capacity Change from Prior Year (%)	-1.986%	-0.048%	-9.435%	4.777%	15.136%	17.200%

Median Value SFH Property Tax Calculation

Pay Year	2021 Final	2022 Final	2023 Final	2024 Final	Base 2025 Levy 15.24% Increase from 2024	Proposed 2025 Levy 17.10% Increase from 2024
Market Value	257,800	270,600	320,400	327,400	339,900	339,900
Market Value Exclusion	(14,038)	(12,886)	(8,404)	(7,774)	(15,959)	(15,959)
Taxable Market Value	243,762	257,714	311,996	319,626	323,941	323,941
Tax Capacity	2,438	2,577	3,120	3,196	3,239	3,239
Tax Capacity Rates:						
City	35.130%	35.113%	31.800%	33.319%	38.361%	39.050%
EDA	0.706%	0.763%	0.880%	0.761%	0.765%	0.894%
Property Taxes:						
City	$ 856.47	$ 904.86	$ 992.16	$ 1,064.88	$ 1,242.51	$ 1,264.83
EDA	$ 17.21	$ 19.66	$ 27.46	$ 24.32	$ 24.78	$ 28.96
Total	**$ 873.68**	**$ 924.52**	**$ 1,019.62**	**$ 1,089.20**	**$ 1,267.29**	**$ 1,293.79**

Proposed Pay 2025 Taxes – Comparable Cities



Levy Components

- The 10-year average annual levy change (2016 to 2025) is 12.71%
- 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 Max Levy	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%**

2025 Budgeted General Fund Expenditures

General Fund	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Adopted Budget	2025 Base Budget	Maximum Levy
OPERATING EXPENDITURES								
Legislative	438,304	427,695	447,585	462,763	460,109	475,163	536,981	536,981
Administration	2,050,086	2,123,185	2,072,359	2,489,169	2,642,225	3,055,883	3,206,661	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	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	21,998,095
SBM Fire Services	2,084,960	2,202,928	2,201,800	2,281,120	2,361,784	2,598,085	2,731,464	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	9,990,055
Engineering & GIS	1,307,910	1,386,735	1,523,036	1,697,749	1,884,954	2,110,861	2,282,855	2,282,855
Recreation	1,090,053	864,960	1,175,472	1,409,447	1,560,596	1,617,958	1,794,985	1,833,615
Community Development	2,168,645	2,172,361	2,191,429	2,559,352	2,657,734	2,937,883	3,067,092	3,200,066
General	426,092	450,400	411,687	431,083	436,319	623,758	928,058	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**	**50,545,005**
Difference from previous actual/budget		-1.2%	19.7%	1.3%	4.3%	11.0%	6.8%	1.6%

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

Baseline Tax Levy Allocations

2024 service levels at 2025 costs

Baseline Levy

City-Wide - Steps/Cafeteria Plan/COLA	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	City Charter Requirement	82,880
Capital	Prefunding - Projects/Equipment	1,619,752
Debt Service	Debt Levy	1,189,435
105th Ave Tax Abatement	Debt Levy	505,200
	Total	$6,539,307

Proposed Tax Levy Allocations

Requested allocation of funding

Maximum Levy

Police Officer - 1.0 FTE	Personnel	153,000
Police Officer - 1.0 FTE	Personnel	153,000
Forester - 1.0 FTE	Personnel	143,566
Commercial Building Inspector - 1.0 FTE	Personnel	132,974
Parks & Rec Receptionist (MAYC) - 0.5 FTE	Personnel	38,630
Public Works Seasonal	Personnel	98,830
SWAT Expense	Operational	24,000
CSO Squad Cameras	Operational	6,000
Vehicle Maintenance Costs	Operational	50,000
	Total	$800,000

General Fund 10 Year Division Comparison

Division	2015 Budget	2024 Budget	Variance from 2015 to 2024 (Decrease)	
Expenditures				
Legislative	534,740	475,163	(59,577)	-11.14%
Administrative Services	1,234,980	3,117,206	1,882,226	152.41%
Finance	2,428,725	3,651,462	1,222,737	50.34%
Safety Services	**9,061,540**	**18,800,487**	**9,738,947**	**107.48%**
Fire Services	2,589,020	4,200,220	1,611,200	62.23%
Public Works	6,096,160	9,039,868	2,943,708	48.29%
Engineering	1,375,259	2,110,861	735,602	53.49%
Recreation	1,038,151	1,617,958	579,807	55.85%
Community Development	1,379,650	2,937,883	1,558,233	112.94%
Unallocated	405,950	623,758	217,808	53.65%
Total Expenditures	**$26,144,175**	**$46,574,865**	**$20,430,690**	**78.15%**

General Fund Budget Share by Division

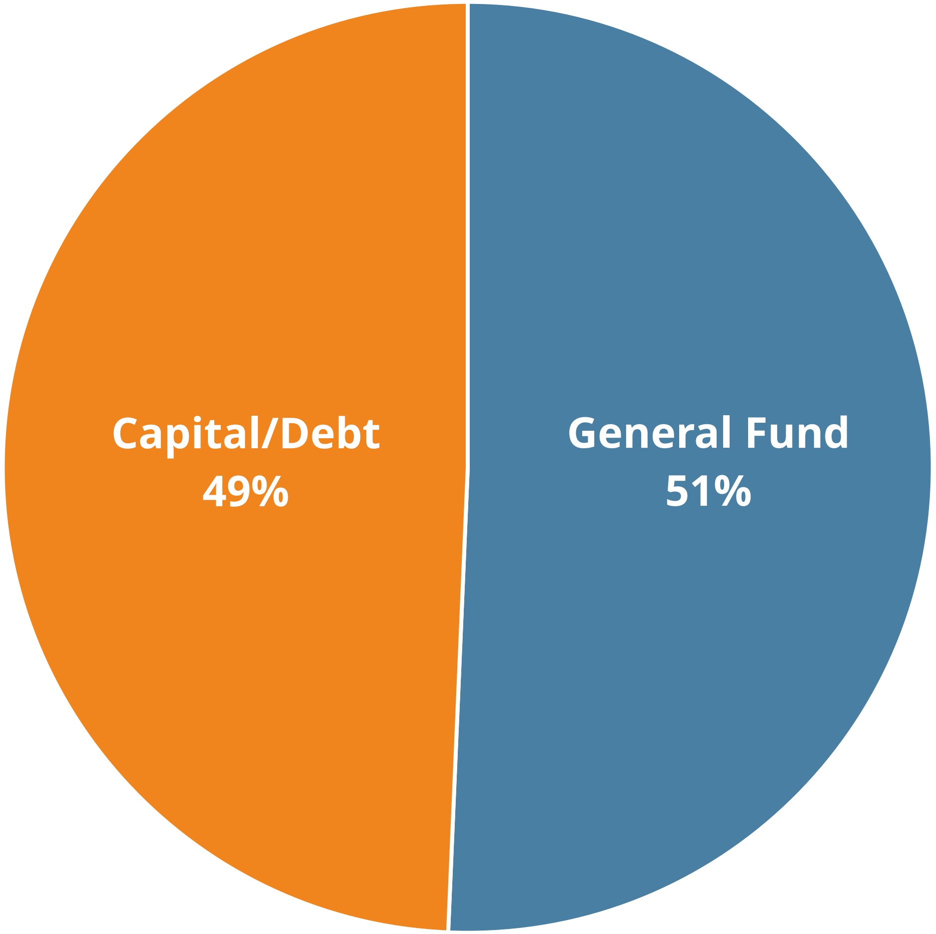
Division	2015 % of Budget	2024 % of Budget
Expenditures		
Legislative	2.0%	1.0%
Administrative Services	4.7%	6.7%
Finance	9.3%	7.8%
Safety Services	**34.7%**	**40.4%**
Fire Services	9.9%	9.0%
Public Works	23.3%	19.4%
Engineering	5.3%	4.5%
Recreation	4.0%	3.5%
Community Development	5.3%	6.3%
Unallocated	1.6%	1.3%
Total Expenditures	**100%**	**100%**

- Shows the change in General Fund composition of budgetary expenditures
- Highlights Council investment in Safety Services
  - 16.4% increase in total share of GF budget
  - Includes newly funded positions, contractual market adjustments, and operations costs

Change from 2024 to 2025 Max Levy

- 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: Base Levy	Scenarios for 2025 Preliminary Levy: Maximum Levy
General Fund	36,385,585	39,610,505	39,610,505
Capital Equipment	100,000	500,000	500,000
SBM Capital	-	569,752	569,752
PMP	100,000	250,000	250,000
Debt Service	6,324,015	7,513,450	7,513,450
Parks and Trails	-	500,000	500,000
Abatement	-	505,200	505,200
Levy to Allocate	-	-	800,000
City Levy	**$ 42,909,600**	**$ 49,448,907**	**$ 50,248,907**
City Levy % Change	**15.62%**	**15.24%**	**17.10%**
City Tax Rate	33.319%	38.361%	39.050%
Median EMV SFH	$ 327,400	$ 339,900	$ 339,900
City Tax Impact	**$ 1,064.88**	**$ 1,242.51**	**$ 1,264.83**
$ Change	**$ 72.72**	**$ 177.63**	**$ 199.95**
% Change	**7.3%**	**16.7%**	**18.8%**

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

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

Alternate Revenue Sources – Comparable Cities

City	Local Government Aid (2025)	Electric Franchise Fee - Residential	Gas Franchise Fee - Residential	Local Option Sales Tax	Street Light Fund Operating Revenue (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	$12.92	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 comparable cities rely on other funding sources/taxes/aids to fund government operations

Alternate Revenue Sources

- Gas & Electric Utility Franchise Fee
- Storm Water & Street Light Utilities
- Statutory Districts
- Fund Balances
- Fee Schedule Maintenance & Other Revenues

Representatives from Baker Tilly are scheduled to present at the January 13 Workshop

Questions for Council

- Is there a consensus regarding the appropriate General Fund tax levy for 2025?
  - As a reminder, the final tax levy adopted in December may not exceed the preliminary levy set in September
- Is any further information needed before adopting the final 2025 General Fund budget and City property tax levy in December?

Levy Item	Fund	2024 Final Levy	2025 Proposed Levy	Total Change From '24	Percent Change From '24
	City of Blaine, Minnesota				
	Exhibit A				
	2025 Property Tax Levy - Summary				
	General Fund	$ 36,385,585	$ 36,385,585		
1	City-Wide Steps/Cafeteria Plan/COLA	-	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 - City Charter Requirement	-	82,880		
	Total General Fund	**36,385,585**	**39,610,505**	**3,224,920**	**8.86%**
	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**	**809.88%**
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		
24	105th Ave Tax Abatement Debt Service	-	505,200		
	Debt Service Total	**6,324,015**	**8,018,650**	**1,694,635**	**26.80%**
	Baseline Tax Levy	**42,909,600**	**49,448,907**	**6,539,307**	**15.24%**
25	Police Officer - 1.0 FTE	-	153,000		
25	Police Officer - 1.0 FTE	-	153,000		
26	Forester - 1.0 FTE	-	143,566		
26	Commercial Building Inspector - 1.0 FTE	-	132,974		
26	Parks & Recreation Receptionist (MAYC) - 0.5 FTE	-	38,630		
26	Public Works Seasonal	-	98,830		
27	SWAT Expense - Anoka County Sheriffs Office	-	24,000		
27	CSO Squad Cameras - Jail Transports	-	6,000		
27	Vehicle Maint Costs - Aging units, adv electronics/emissions, specialized equip	-	50,000		
	Proposed Maximum Tax Levy	**$ 42,909,600**	**$ 50,248,907**	**$ 7,339,307**	**17.10%**

City of Blaine, Minnesota			
Exhibit B			
2025 Property Tax Levy - Detail			
Levy Item	**Fund/Category**	**Detail**	**Amount**
1	**City-Wide Steps/Cafeteria Plan/COLA**	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, City Charter Requirement	82,880

City of Blaine, Minnesota			
Exhibit B			
2025 Property Tax Levy - 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 BASELINE TAX LEVY	**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	
26	**Three Additional FTE**	Details provided in agenda item/presentation	450,000
27	**Operational Requests**	Details provided in agenda item/presentation	44,000
		TOTAL PROPOSED MAXIMUM TAX LEVY	**7,339,307**