City of Blaine
City Council Workshop

March 10, 2025 | 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. 2025-48 Blaine City Manager Recruitment Process
Sponsors: Scott Johnson, Director of Administrative Services

3.2. 2025-49 McKinstry Presentation - City of Blaine Utility Cost Savings Potential
Sponsors: Scott Johnson, Director of Administrative Services

3.3. 2025-50 2026 Budget Schedule
Sponsors: Jason Zimmerman, Finance Director

3.4. 2025-51 Proposed Mobile Food Truck Ordinance/Special Event License Amendments
Sponsors: Cathy Sorensen, City Clerk

3.5. 2025-52 National Sports Village Signage Discussion
Sponsors: Sheila Sellman, Assistant Community Development Director

4. Other Business

5. Adjournment

City of Blaine
Staff Report

File Number: 2025-48

Agenda Date	Status
March 10, 2025	
In Control	**File Type**
City Council	Report

New Business - Scott Johnson, Director of Administrative Services

Agenda Item # 3.1

Blaine City Manager Recruitment Process

Background

Staff will provide an update on the upcoming City Manager recruitment at the Workshop. Staff will work with the City Attorney to put together the contract with the top firm based on Council direction at the March 3, 2025, Workshop.

The top firm will then be invited to the March 10, 2025, Workshop to meet with the City Council virtually. This will give the City Council the opportunity to discuss the process, timelines, and the type of candidates for the position the City Council would like to attract. The firm reports to the City Council on milestones for the recruitment.

Staff Recommendation

Staff is requesting City Council discussion of the recruitment process with the top firm at the Workshop.

Questions for Council

Attachment List

None

City of Blaine
Staff Report

File Number: 2025-49

Agenda Date	Status
March 10, 2025	

In Control	File Type
City Council	Report

New Business - Scott Johnson, Director of Administrative Services

Agenda Item # 3.2

McKinstry Presentation - City of Blaine Utility Cost Savings Potential

Background

McKinstry will present their findings to the City Council at the March 10, 2025, Workshop on potential utility cost-saving projects for the City of Blaine through guaranteed utility savings contracts and grant funding. Some of the projects are needed improvements to our facilities. Partnering with McKinstry will help save general fund, facilities fund and utility fund dollars.

Staff spoke to other cities/counties who have worked with McKinstry. McKinstry has followed through with the projects and they have been successful with the guaranteed utility savings contracts and grant funding option. Timing is important with McKinstry. We do not know if the grants and other funding sources McKinstry uses for financing projects will be available in 2026. Staff has been working with McKinstry over the last several months to see what projects are feasible to help the City of Blaine save future energy costs, lighting costs, and save money with updated operations and maintenance systems.

Staff Recommendation

Staff is requesting the City of Blaine receive the presentation from McKinstry and their preliminary assessment. Also, staff is requesting the City Council discuss possible next steps with McKinstry.

Questions for Council

Attachment List

1. Presentation

City of Blaine

Utility Cost Savings Potential

Preliminary Cost Savings Evaluation
Council Working Session
March 10, 2025

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About McKinstry

VISION

Together, building a thriving planet.

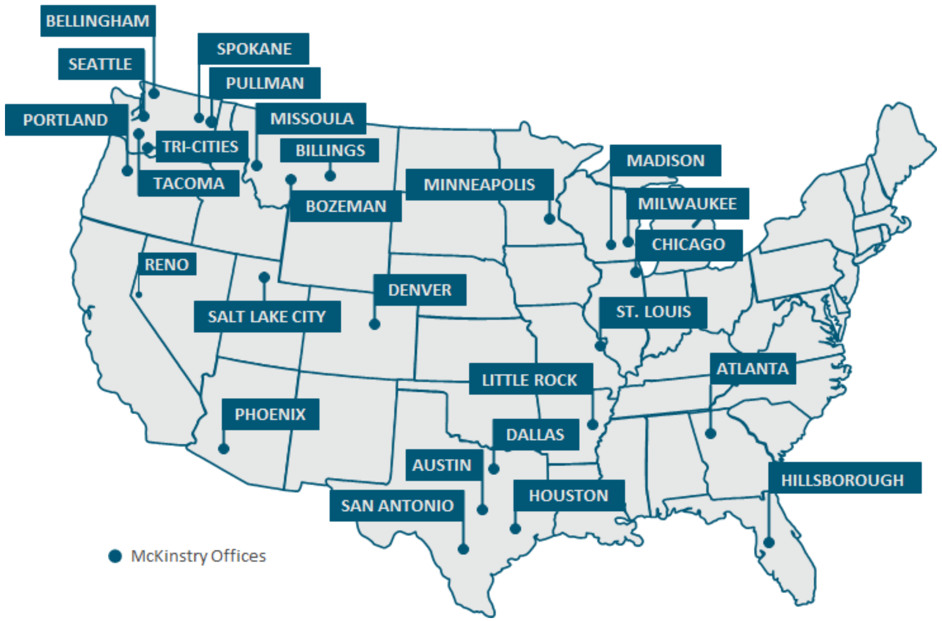
MISSION

To make every building we touch more efficient.

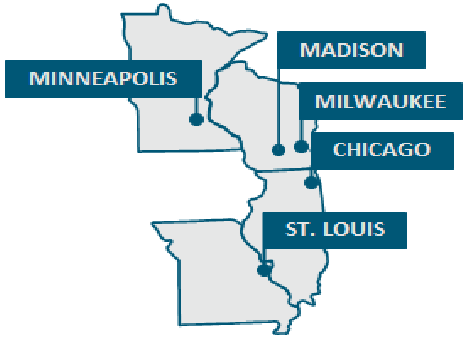
Our National Footprint

Local Team – Supported by National Expert Teams

- National leader in designing, constructing, operating and managing high-performing facilities
- Founded in 1960
- 26+ offices nationwide
- 3,000+ employees
- 100 PEs & Architects
- $995 M annual revenue
- 250 MW Solar PV Installed



Our Midwest Footprint



- More than 80 projects worth over **$350M in last five years**
- More than **45 Solar projects**
- Strong partnerships leading to **legacy clients**
- St. Louis Park, MN office

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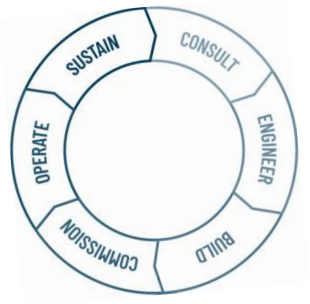
For the Life of Your Infrastructure



Creating a continuum of expertise and assistance that you can access at any point FOR THE LIFE OF YOUR BUILDINGS.

Engineering, Consulting & Community

- Mechanical, Electrical, Plumbing
- Internet of Things (IoT) and Data
- Energy/Environmental
- Climate Action Planning
- Community Engagement

Construction & Financing

- Design, Implement, Operate, Maintain, Own
- Finance via Competitive Network
- Performance-Based Contracting/Guaranteed Energy Savings Projects

Energy Efficiency & Renewables

- Reduce, Produce, Procure
- Energy Efficient Buildings
- Solar, Storage, Microgrids
- Resiliency
- Flexible Financial Structures via Competitive Network

Facility Services

- Facility and Energy Asset Management Programs
- Commissioning
- Operational Optimization
- Active Energy Management
- powerED

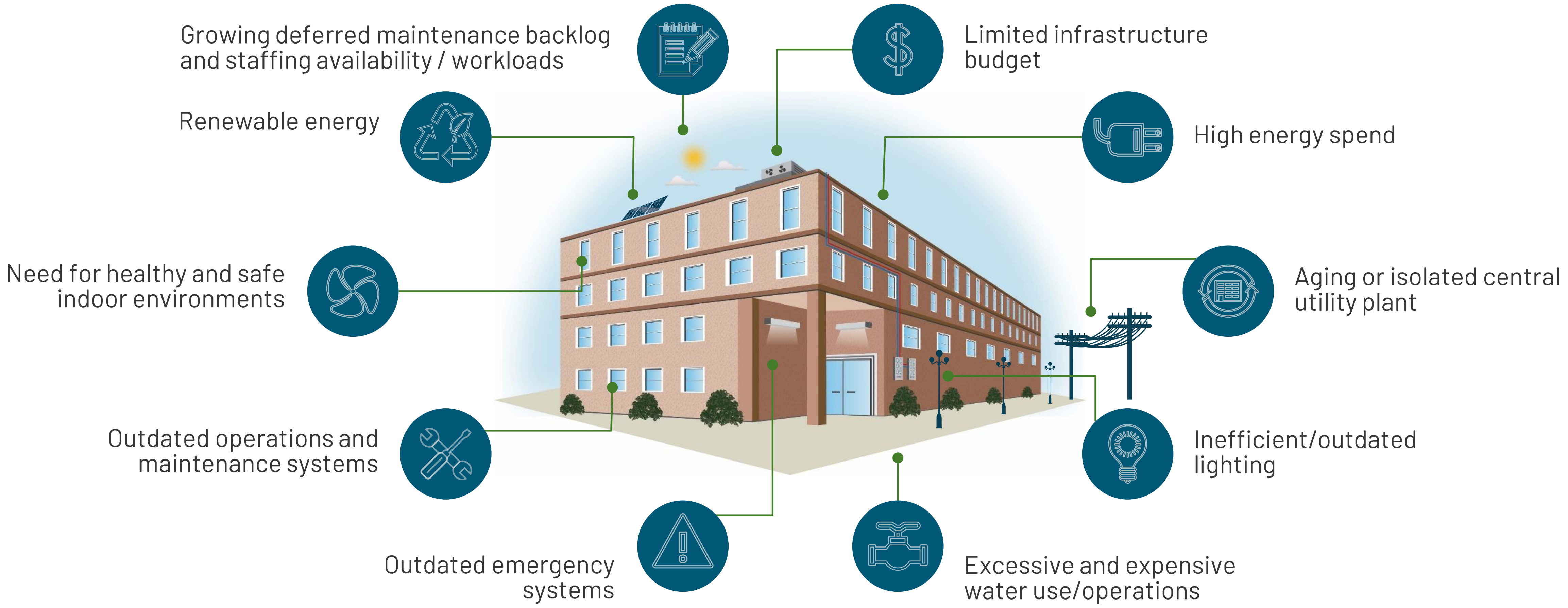
High Performance/ Smart Buildings & Grid

- Eco Districts
- Microgrid
- Solar + Storage
- Internet of Things
- Telecommunications

McKinstry For The Life Of Your Building

Current Challenges in Managing Your Buildings

With so many challenges and decisions facing today, we are a partner that understands your needs and can help navigate the options.



City of Blaine

Achieving Cost Savings

How We Work With You

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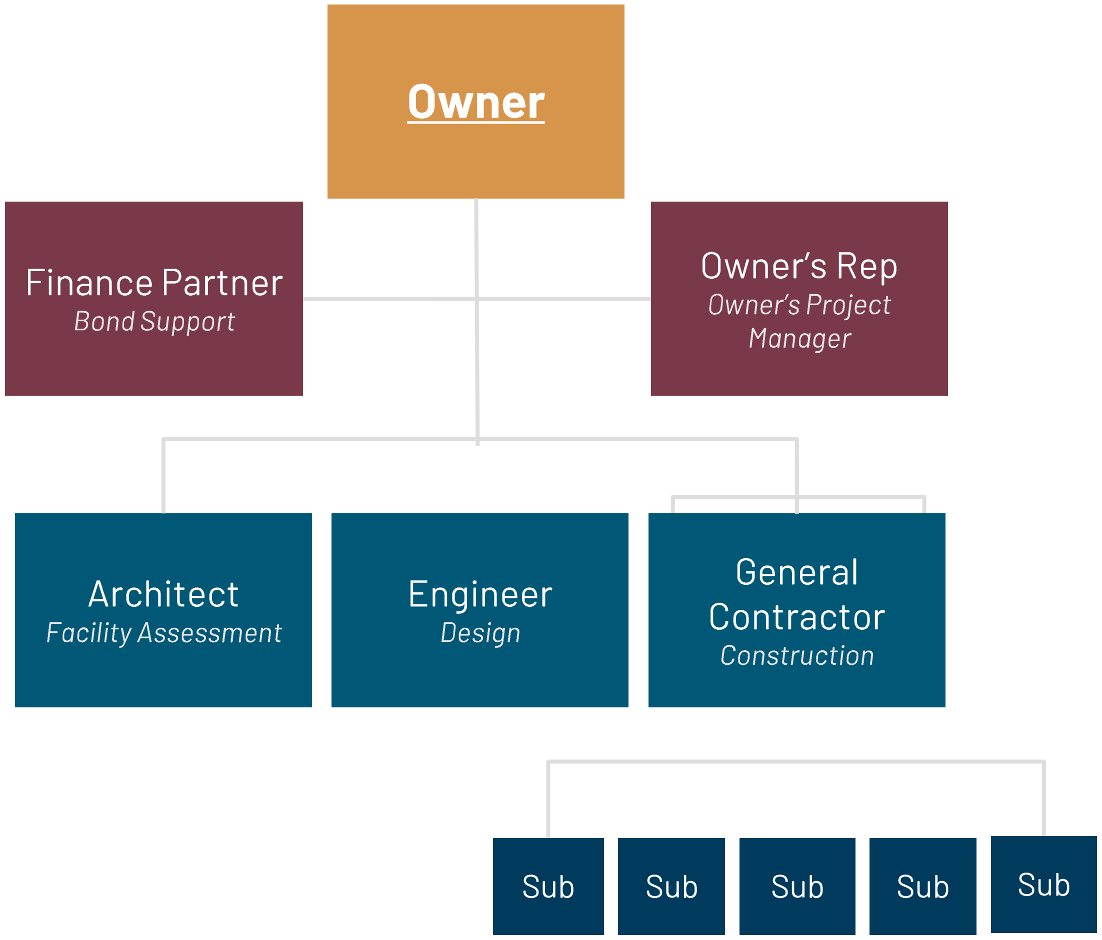
Guaranteed Utility Savings Contract

Utility Savings Project Partnership

Traditional Project Construction



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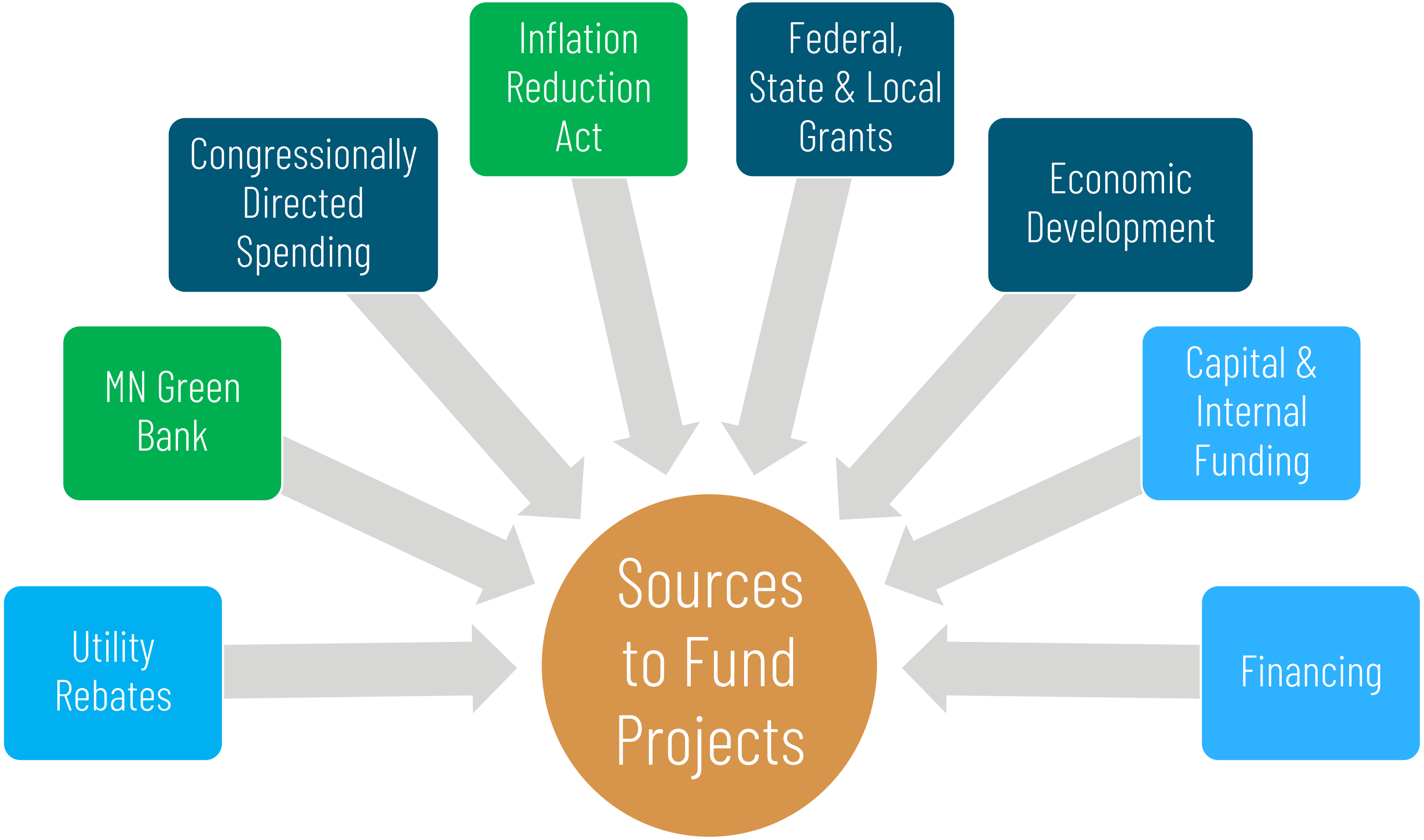
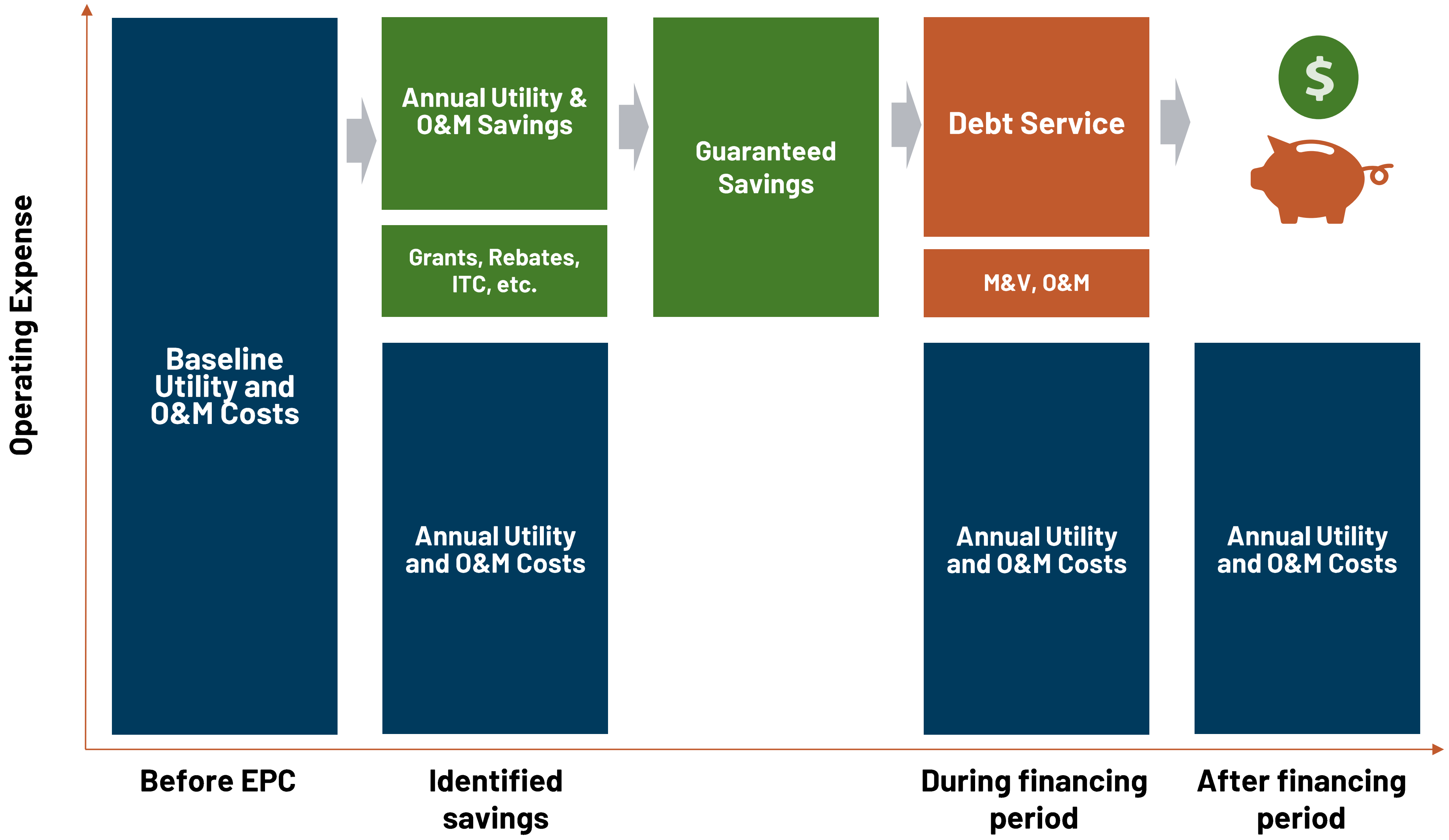
Guaranteed Savings Project Financing



Cashflow positive Projects - not to exceed 20 years

Cost Savings Project – Budget Neutral



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Budget Neutral – Funding for Energy Projects

Your Annual Budget **Expenses**	Your Annual Budget **Liabilities / Expenses**	**Results / Benefits**
$$ for Utility costs $$ for Deferred Maintenance and Repairs $$ Equipment Replacements $$ for Current Operations and Maintenance	Bond/Debt or Tax-Exempt Lease (Off-balance sheet = similar to equipment leasing) Payments **Payments structured to match the annual guaranteed savings each year**	Each year the Budget $'s for Energy and Operation costs are used to pay the Financing payments = **Budget Neutral** **After the financing period is completed, all the savings continues to occur and accumulate**

This Allows for No "Out of Pocket" $'s from City Budget

City of Blaine

Preliminary Results:
Cost Saving Opportunities

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Improvement Opportunities

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	FACILITY ASSESSMENT	BALL FIELDS	BLAINE BASEBALL COMPLEX	CITY HALL/PD/FIRE	COLD STORAGE	FIRE STATION #2	LEXINGTON ATHLETIC COMPLEX	MARY ANN YOUNG CENTER	PUBLIC WORKS OFFICE/GARAGE	WATER TREATMENT 1	WATER TREATMENT 2	WATER TREATMENT 3	WATER TREATMENT 4
BASE PROJECT	Solar PV	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☑
	HVAC Renewal and Upgrades	☐	☐	☑	☐	☑	☐	☐	☐	☐	☐	☐	☐
	Building Automation Controls	☐	☐	☑	☐	☐	☐	☑	☐	☐	☐	☐	☐
	Lighting and Controls	☐	☑	☑	☑	☑	☑	☐	☐	☑	☑	☑	☐
	Retro commissioning	☐	☐	☑	☐	☐	☐	☑	☑	☐	☐	☐	☐
	Water Conservation/Irrigation	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
	Building Envelope	☐	☐	☑	☑	☑	☐	☑	☑	☑	☑	☑	☑
	Waste Oil Burner	☐	☐	☐	☐	☐	☐	☐	☑	☐	☐	☐	☐
	Stripping Tower Blower	☐	☐	☐	☐	☐	☐	☐	☐	☑	☐	☐	☐
	Window Film	☐	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐
	Duct Sealing	☐	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐
	Generator Block Heater	☐	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☑
STRETCH PROJECT	Carport Solar Canopy	☐	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐
	Peak Shaving Generator	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☑

McKinstry

City of Blaine

Preliminary Results:
Cost Saving Financials

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Preliminary Assessment: Self-Funding Project Example

For

$30K

City Contribution

City Completes

$1.59M

Energy & Facility Project Work

City Gains

$2.48M

25-year Savings Benefit to City

Reduce annual utility and operational costs by ~$75K/yr

City-wide Project, Completing Great work Utility Savings = 10%

Opportunity for ~$185K-$235K in "Direct Pay" Incentives

Current Annual City Utility Costs = $735,743

*Water/Sewer Utility Analysis has already generated ~$14,000 savings in '24 Q3 (not included in above numbers)

City of Blaine

Preliminary Results:

Project Benefits

Self- Funding Project Achievement Overview

- Significant Utility cost reduction = 10%
- Showcase at the WTP #4 = Rooftop Solar addition
  - 22% Utility cost reduction
- Complete City-Wide Lighting and Controls upgrades
- Gain operational and maintenance savings
- Modernize and standardize systems
- Hedge against rising utility costs
- No upfront cost – savings funded
- Lower overhead costs = taxpayer savings
- Potential for Connexus support = ratepayer and city savings

City of Blaine

Our Ask: Path to Achieve Savings

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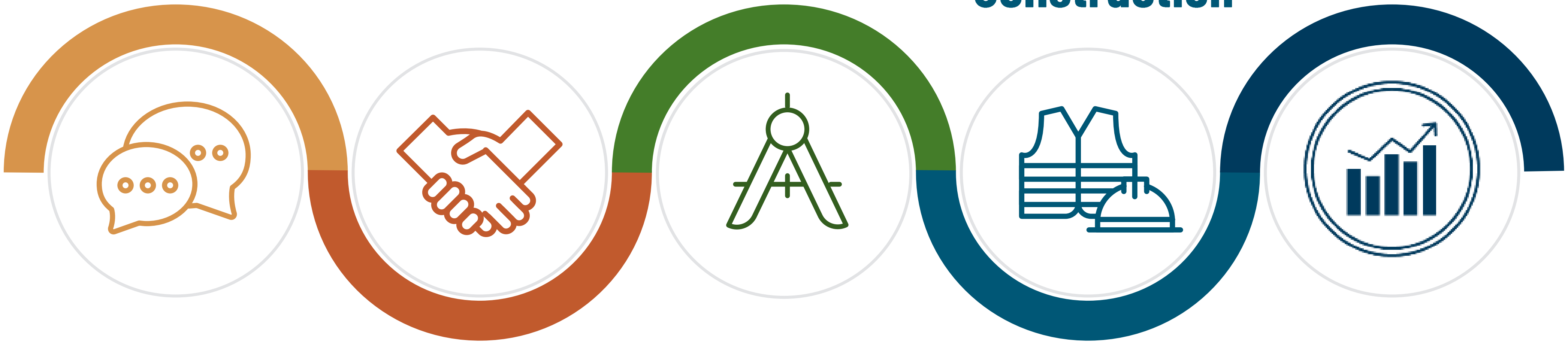
Action Plan: Blaine's – Utility Savings Project

Preliminary Assessment | **Council Approval** | **Investment Grade Audit** | **Agreement to move to Construction** | **Construction & Savings**



Today
City preview of findings.
~15% engineering

Approvals
Develop and approve agreement language.

~90 days
Collaboration. Design, spec, price project.
~75% engineering

~30 days
Approve final project agreement.

~1 yr. +
Performance Measure & Verification

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IGA (Investment Grade Audit) Report

Deliverables:

- ✓ "Construction Ready" Project
  - Detailed Drawings
  - Specified Equipment/ Bidding
- ✓ Identification of Grants and Rebates
  - IGA is required to apply
- ✓ Capital Budget Items?
- ✓ Utility / Operation Savings Verification
- ✓ Cashflow Justification
- ✓ Competitive Financing

1. Executive Summary

Economic and Benefit Summary of Project

PROJECT METRICS	
Scope of Work Summary	- Solar PV - 4 sites - Lighting - 18 bldgs with a standard LED lighting solution - Retro-commissioning – 2 buildings
Self-Funds via MN State Statute 471.345, Sub. 13 – Energy Efficiency Projects	Yes
Cost	$8.37 M
Capital Contribution	$800k
Annual Energy + O&M Savings	$338k
County-wide % Reduction in Electric and Natural Gas Cost (Annual cost of $1.363 Million)	25%
Total Cumulative Cash Flow (30 yrs)	$6.6 M
Solar - % Electric Offset *Near Net Zero Site	*Admin Center – 118% NSC – 8% *Robert Trail – 94% Galaxie – 16%
Solar Size (kW_{DC})	1.0 MW
Carbon Reduction (lbs) / Green House Gas Reduction	4.57 Million lbs
County Wide % Reduction in Carbon (Electric and Natural Gas Usage)	27%
2 Near Net Zero Sites	Yes
Largest MN County Solar	Yes

Note:
- *Reference Section 7 – Financial Analysis in the IGA report for more detailed informatio*

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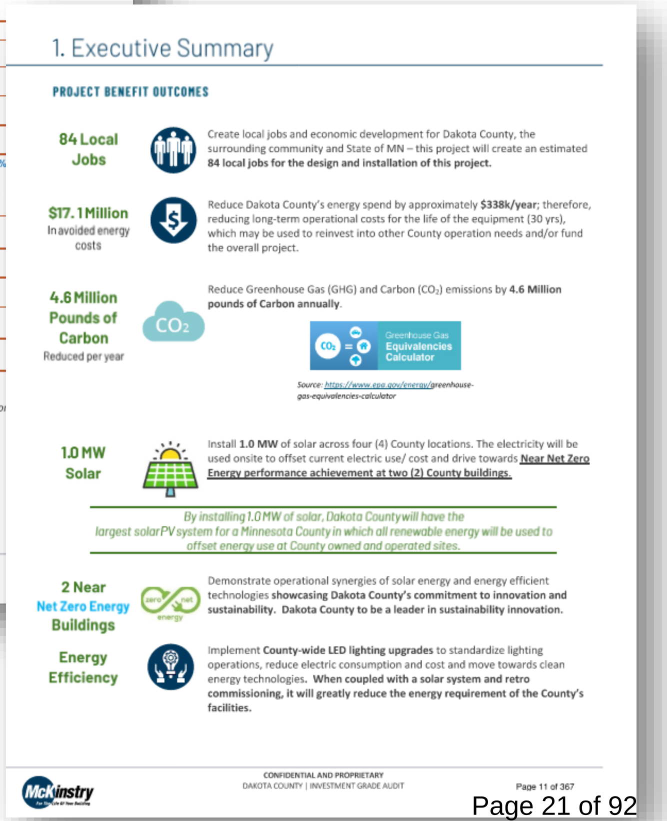
DAKOTA COUNTY | INVESTMENT GRADE AUDIT



1. Executive Summary

PROJECT BENEFIT OUTCOMES

84 Local Jobs — Create local jobs and economic development for Dakota County, the surrounding community and State of MN – this project will create an estimated **84 local jobs for the design and installation of this project.**

$17.1 Million In avoided energy costs — Reduce Dakota County's energy spend by approximately **$338k/year**; therefore, reducing long-term operational costs for the life of the equipment (30 yrs), which may be used to reinvest into other County operation needs and/or fund the overall project.

4.6 Million Pounds of Carbon Reduced per year — Reduce Greenhouse Gas (GHG) and Carbon (CO_2) emissions by **4.6 Million pounds of Carbon annually**.

Greenhouse Gas Equivalencies Calculator

Source: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

1.0 MW Solar — Install **1.0 MW** of solar across four (4) County locations. The electricity will be used onsite to offset current electric use/ cost and drive towards **Near Net Zero Energy performance achievement at two (2) County buildings.**

By installing 1.0 MW of solar, Dakota County will have the largest solar PV system for a Minnesota County in which all renewable energy will be used to offset energy use at County owned and operated sites.

2 Near Net Zero Energy Buildings — Demonstrate operational synergies of solar energy and energy efficient technologies **showcasing Dakota County's commitment to innovation and sustainability. Dakota County to be a leader in sustainability innovation.**

Energy Efficiency — Implement **County-wide LED lighting upgrades** to standardize lighting operations, reduce electric consumption and cost and move towards clean energy technologies. **When coupled with a solar system and retro commissioning, it will greatly reduce the energy requirement of the County's facilities.**

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DAKOTA COUNTY | INVESTMENT GRADE AUDIT
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Development Cost for IGA: no upfront cost to City when project moves into construction

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City of Blaine

Utility Cost Savings Project

Questions / Comments?

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Appendix A: Financing Deeper Dive

Deeper dive and questions on financing structures

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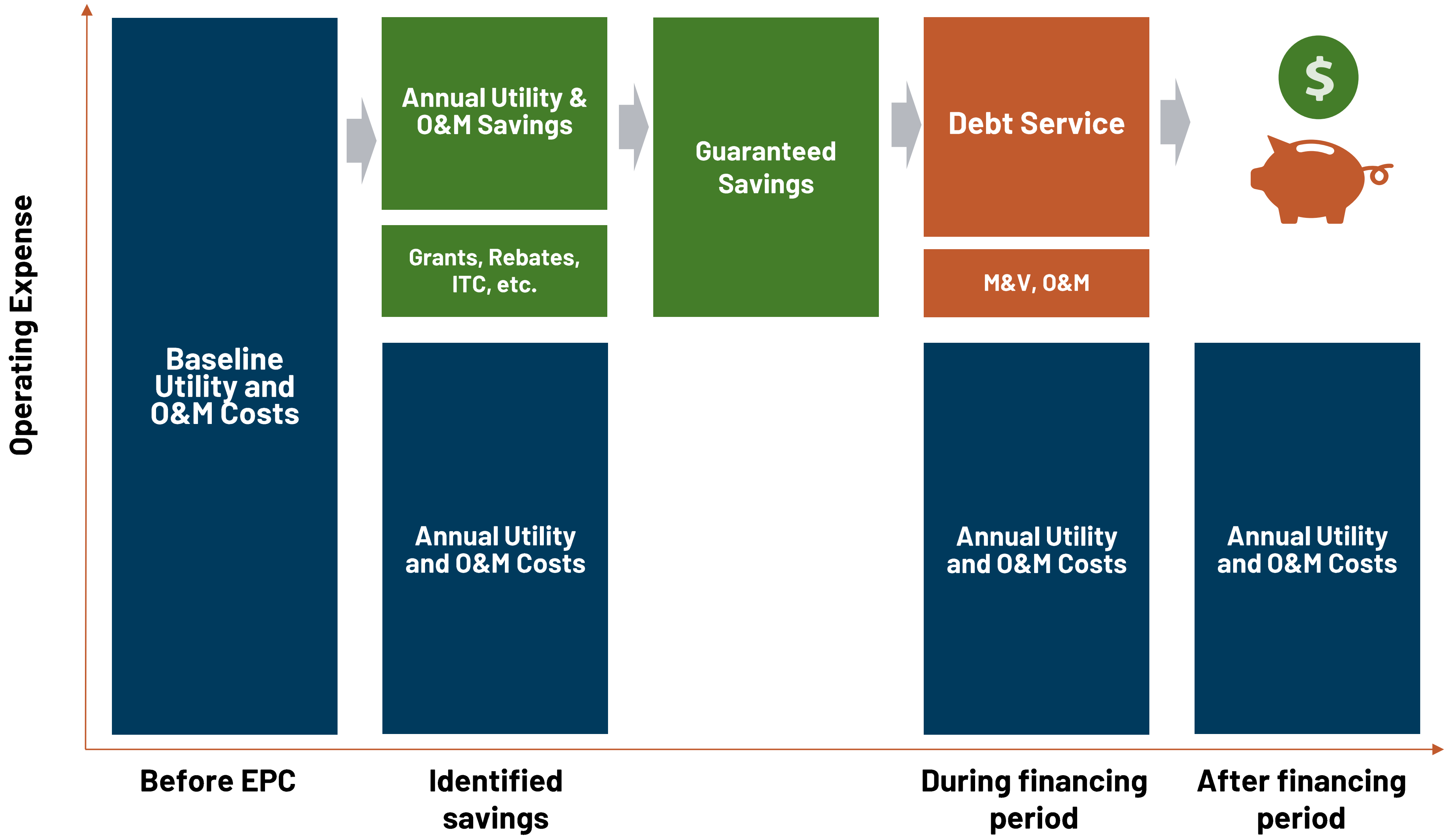
Energy Savings Project – Budget Neutral



Budget Neutral – Funding for Energy Projects

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This Allows for No "Out of Pocket" $'s from City Budget

Funding Energy Projects – Options

Your Budget	Bond Issue	Tax-Exempt Lease Purchase (TELP)	Part of Your Budget & Part Financing
$$ for Utility costs	Traditional GO bond issuance	RFQ via McKinstry network of top-tier financial firms (no $’s to McKinstry – part of our services)	McKinstry implements projects in your Budget/CIP
$$ for Deferred Maintenance and Repairs	Issuing costs	McKinstry compiles offers	Results in more impactful projects
$$ Equipment Replacements	Structural debt and credit report impact	You compare terms from several financial institutions	Gain guaranteed savings, bundle efforts
$$ for Current Operations and Maintenance	Your CFO to compare Bond vs. TELP costs and rates over time	**Energy Savings + Lease payments each year = no out of pocket costs**	**Complete projects in less than 1 year with our team instead of your staff time**
Requires current budget cash availability or cash via next year’s budget		**Off-Balance Sheet format, like Equipment Leasing**	

Preliminary Assessment: Self-Funding Project Example

For

$30K

City Contribution

City Completes

$1.59M

Energy & Facility Project Work

City Gains

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25-year Savings Benefit to City

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Current Annual City Utility Costs = $735,743

*Water/Sewer Utility Analysis has already generated ~$14,000 savings in '24 Q3 (not included in above numbers)

Preliminary Self-Funding Project Example Cash Flow Model

Summary of Economics and Cash Flow							
Capital Contribution ($)		Project Cost ($)			Total Benefit**		
$15,000***		$1,585,000			$2,480,641		
Year	Project Cost ($)	Avoided Energy + O&M Savings	IRA Incentives and CIP Contribution*	Lease Payment	End Balance	Annual Cashflow	Total Cumulative Cash Flow
0	($1,585,000)	$0	$0	$1,585,000	$0	$0	$0
1		$75,000	$225,000	($299,999)	($1,356,326)	$1	$1
2		$78,000	$0	($77,999)	($1,339,362)	$1	$2
3		$81,120	$0	($81,119)	($1,318,514)	$1	$3
4		$84,365	$0	($84,364)	($1,293,483)	$1	$4
5		$87,739	$0	($87,738)	($1,263,952)	$1	$5
6		$91,249	$0	($91,248)	($1,229,581)	$1	$6
7		$94,899	$0	($94,898)	($1,190,015)	$1	$7
8		$98,695	$0	($98,694)	($1,144,872)	$1	$8
9		$102,643	$0	($102,642)	($1,093,749)	$1	$9
10		$106,748	$0	($106,747)	($1,036,220)	$1	$10
11		$111,018	$0	($111,017)	($971,833)	$1	$11
12		$115,459	$0	($115,458)	($900,107)	$1	$12
13		$120,077	$0	($120,076)	($820,536)	$1	$13
14		$124,881	$0	($124,880)	($732,580)	$1	$14
15		$129,876	$0	($129,875)	($635,672)	$1	$15
16		$135,071	$0	($135,070)	($529,207)	$1	$16
17		$140,474	$0	($140,473)	($412,549)	$1	$17
18		$146,093	$0	($146,092)	($285,022)	$1	$18
19		$151,936	$0	($151,935)	($145,913)	$1	$19
20		$158,014	$0	($152,479)	$0	$5,535	$5,554
21		$164,334	$0	$0	$0	$164,334	$169,888
22		$170,908	$0	$0	$0	$170,908	$340,796
23		$177,744	$0	$0	$0	$177,744	$518,539
24		$184,854	$0	$0	$0	$184,854	$703,393
25		$192,248	$0	$0	$0	$192,248	$895,641
Totals	($1,585,000)	$3,123,443	$225,000	($2,452,802)	$0	$895,641	

Financial Disclaimer: McKinstry is not engaged in providing legal, tax, or financial advice. The information provided herein is intended only to assist you in your decision-making and is broad in scope. Accordingly, before making any final decisions you should consider obtaining additional information and advice from your accountant or other financial advisers who are fully aware of your specific circumstances.

Incentives*	include indicative estimates of available utility and IRA Direct Pay credits.
Total Benefits**	includes the Project Cost + Total Cumulative Cashflow.
Capital Contributions***	Reserves $15,000 of CIP funding tor filing costs

Financial Report Format – Notes on Equipment Lease (TELP)

BLAINE, CITY OF
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City of Blaine

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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $536,024,458 at the close of the most recent fiscal year.

The largest portion of the City's net position (84 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Blaine's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$102,353,157	$110,590,002	$33,182,973	$16,444,357	$135,536,130	$127,034,359
Capital assets	329,981,410	314,251,138	226,655,425	218,246,892	556,636,835	532,498,030
Total assets	$432,334,567	$424,841,140	$259,838,398	$234,691,249	$692,172,965	$659,532,389
Deferred outflows						
Related to pensions	$22,153,468	$26,371,909	$ -	$ -	$22,153,468	$ 26,371,909
Long-term liabilities outstanding	$92,176,919	$105,404,987	$44,961,813	$35,506,910	$137,138,732	$140,911,897
Other liabilities	14,641,750	21,089,593	3,403,531	2,604,693	18,045,281	23,694,286
Total liabilities	$106,818,669	$126,494,580	$48,365,344	$38,111,603	$155,184,013	$164,606,183
Deferred inflows						
Related to leases	$1,873,147	$2,040,199	$ -	$ -	$ 1,873,147	$ 2,040,199
Related to pensions	21,244,815	473,016	-	-	21,244,815	473,016
Total deferred inflows	$23,117,962	$2,513,215	$ -	$ -	$ 23,117,962	$ 2,513,215
Net position:						
Net investment in capital assets	$264,781,260	$257,114,952	$186,643,312	$186,018,080	$451,424,572	$443,133,032
Restricted	22,218,429	21,591,171	-	-	22,218,429	21,591,171
Unrestricted	37,551,715	43,499,131	24,829,742	10,561,566	62,381,457	54,060,697
Total net position	$324,551,404	$322,205,254	$211,473,054	$196,579,646	$536,024,458	$518,784,900

Net position was positively impacted by $17,239,558 at December 31, 2023. This is primarily due to additional net investment in capital assets of $8.3 million. Much of this increase was a result of various infrastructure projects throughout the city.

In 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Essentially, the standard required the unfunded portion of defined benefit pension plans to be reported by all participating employers. Recording the net pension liability and the pension related deferred outflows and inflows of resources do not change the City's future funding requirements or obligations under the plans, which are determined by Minnesota Statutes.

Net position was negatively impacted by $20,415,333 at December 31, 2023 due to the standard. Pension-related amounts included in the above schedule related to the standard are as follows:

Deferred Outflows of Resources	$22,153,468
Deferred Inflows of Resources	(21,244,815)
Noncurrent liabilities	(21,323,986)
	($20,415,333)

A small portion of the City's net position, four percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $62,381,457 may be used to meet the government's ongoing obligations to citizens and creditors.

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

Statement 1

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals 2023	Totals 2022
Assets:				
Cash, cash equivalents, and pooled investments	$95,835,650	$23,092,770	$118,928,420	$110,723,063
Delinquent taxes receivable	331,983	-	331,983	219,901
Tax increment receivable	4,449	-	4,449	478
Accounts receivable	273,371	4,724,646	4,998,017	4,221,734
Special assessments receivable	4,617,407	389,404	5,006,811	5,181,624
Intergovernmental receivable	1,551,881	99,911	1,651,792	1,083,637
Internal balances	(4,852,525)	4,852,525	-	-
Prepaid items and other assets	616,570	3,673	620,243	654,086
Loans receivable	894,527	-	894,527	1,805,215
Lease receivable	1,873,147	-	1,873,147	2,040,199
Accrued interest receivable	206,697	20,044	226,741	104,422
Notes receivable	1,000,000	-	1,000,000	1,000,000
Capital assets (net of accumulated depreciation):				
Land	174,148,661	2,476,028	176,624,689	172,761,051
Building and structures	34,109,367	31,845,494	65,954,861	34,671,980
Machinery and equipment	11,120,405	9,452,299	20,572,704	19,041,378
Distribution and collection system	-	141,512,422	141,512,422	136,021,087
Infrastructure	96,184,433	37,633,645	133,818,078	119,547,878
Construction in progress	14,418,544	3,735,537	18,154,081	50,454,656
Total assets	432,334,567	259,838,398	692,172,965	659,532,389
Deferred outflows of resources:				
Related to pensions	22,153,468	-	22,153,468	26,371,909
Liabilities:				
Accounts payable	835,905	1,178,976	2,014,881	2,230,742
Accrued liabilities	849,955	83,454	933,409	847,027
Deposits payable	9,594,486	9,050	9,603,536	12,252,271
Contracts payable	1,632,125	834,558	2,466,683	1,103,104
Intergovernmental payable	64,422	338,298	402,720	215,395
Bond interest payable	978,983	569,791	1,548,774	1,379,751
Unearned revenue	685,874	389,404	1,075,278	5,665,996
Noncurrent liabilities:				
Due within one year	5,414,471	1,380,000	6,794,471	6,203,914
Due in more than one year	86,762,448	43,581,813	130,344,261	134,707,983
Total liabilities	106,818,669	48,365,344	155,184,013	164,606,183
Deferred inflows of resources:				
Related to leases	1,873,147	-	1,873,147	2,040,199
Related to pensions	21,244,815	-	21,244,815	473,016
Total deferred inflows of resources	23,117,962	-	23,117,962	2,513,215
Net position:				
Net investment in capital assets	264,781,260	186,643,312	451,424,572	443,133,032
Restricted for:				
Debt service	15,591,836	-	15,591,836	15,530,458
Tax increment purposes	2,167,945	-	2,167,945	4,614,705
Public safety programs	2,683,143	-	2,683,143	559,861
Community services	257,597	-	257,597	257,157
Fire Department capital projects	1,517,908	-	1,517,908	628,990
Unrestricted	37,551,715	24,829,742	62,381,457	54,060,697
Total net position	$324,551,404	$211,473,054	$536,024,458	$518,784,900

The accompanying notes are an integral part of these financial statements.
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City of Blaine
Staff Report

File Number: 2025-50

Agenda Date	Status
March 10, 2025	
In Control	**File Type**
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.3

2026 Budget Schedule

Background

Background

At the February 10th City Council Workshop, staff presented a review of the 2025 budget process with suggestions to improve the process going forward. As part of those discussions, the development of a budget schedule was determined to be worthwhile for several reasons, as it provides a structured and organized approach to the complex budgeting process. In essence, a budget schedule is a vital tool for local governments to effectively manage their finances, ensure accountability, and promote transparency.

Timeliness and Compliance

- Budgeting processes often involve strict deadlines mandated by state laws. A budget schedule helps ensure that all necessary steps are completed on time, preventing potential legal or financial issues.
- A schedule establishes clear deadlines for each stage of the budget process, preventing last-minute rushes and ensuring that the budget is completed on time to set the proposed property tax levy and conduct the Truth-in-Taxation meeting.
- By prescribing the process ahead of time, it allows staff to properly plan for other responsibilities and allocate their workload appropriately.

Transparency and Accountability

- A well-defined budget schedule allows for public engagement throughout the process, fostering transparency and trust between the City and residents/property owners.
- By outlining specific responsibilities and deadlines, it holds City staff and elected officials accountable for their roles in the budget process.

Planning and Forecasting

- A budget schedule provides a framework for departments to submit their budget requests, allowing for comprehensive planning and projections of revenues and expenditures.
- It enables the City to identify potential financial challenges and opportunities early on, allowing for proactive decision-making and policy implementation.

Coordination and Collaboration

- The budgeting process involves multiple stakeholders, including elected officials, department heads, finance staff, and the public. A budget schedule helps coordinate efforts and ensure Council direction is properly integrated into the process.
- It promotes collaboration and communication among different departments and agencies, leading to a more cohesive and comprehensive budget.

Organization and Documentation

- A budget schedule streamlines the budgeting process by providing a clear roadmap of tasks and deadlines, in turn minimizing errors and delays while improving overall performance.
- It helps to organize the vast amount of information and documentation involved in the budgeting process.

Statutory Requirements
When creating the budget schedule, the following statutorily defined dates and activities were considered:

On or before September 30: Cities with a population greater than 500 must adopt a preliminary tax levy and announce the time and place of a future City Council meeting at which the budget and levy will be discussed and public input allowed, prior to the final budget and levy determination.

- If a taxing authority fails to certify its proposed levy by the due dates specified in this section, the county auditor shall use the authority's previous year's final certified levy for purposes of determining its proposed tax notices.

Between November 11 and November 24: The county auditor prepares and sends proposed property tax (Truth-in-Taxation) notices. These parcel-specific notices include a property's value and classification, tax amounts for the current year, and proposed estimated taxes for the upcoming year. As part of the 2023 legislative session, supplemental budget information is also required which includes information on certified levies, proposed levies, and percentage changes for counties, cities, and school districts.

Between November 25 and December 30: Cities with a population greater than 500 are to hold a meeting (at 6 p.m. or later) to discuss the budget and property tax levy and, before a final determination, allow for public input. Note the EDA is not subject to this requirement.

On or before December 30: Cities certify the final levy. Cities must also file a certificate of compliance with the Department of Revenue.

Draft Schedule

Staff have prepared two drafts; one focused on citywide activities, and another focused on the dates for City Council discussion, direction, and/or action. For transparency purposes, both schedules are provided, but the intent of this conversation is to gain consensus on the dates impacting the City Council. Note there are two budget retreats proposed, June 23 (4th Monday of the month) and September 29 (5th Monday of the month).

Staff Recommendation

Questions for Council

Does the City Council support the draft budget schedule as presented?

Attachment List

1. 2026 Budget Schedule - Council
2. 2026 Budget Schedule - Detail
3. LMC Budget Guide for Cities
4. TNT Instructions for Payable 2025

2026 Budget Schedule Council Dates

Budget Creation → Budget Prep → Budget Entry → Budget Review → Adopt Proposed Levy → Budget Amendments → Adopt Final Levy

February 10	Budget Kick-off
March 10	Budget Key Dates Discussed
April 1 - 11	Small Group Meetings with Mayor and Councilmembers
June 9	General Fund and EDA Budget and Tax Levy
June 23	Internal Service Funds *(Budget Retreat – 4th Monday)*
July 14	Capital Funds Budget
August 11	Review General Fund, EDA, and Capital Budgets and Tax Levy
September 1	Reserved for Budget Review if needed
September 15	Adopt Proposed General Fund, EDA, and Capital Budgets and Tax Levy
September 22	Charitable Gambling and Communications Funds
September 29	Utilities and Refuse Funds *(Budget Retreat – 5th Monday)*
October 13	Review Charitable Gambling Fund Scoring
October 13	Review General Fund, EDA, and Capital Budgets and Tax Levy
November 10	Review Utilities and Refuse Funds
December 1	Truth in Taxation Public Hearing
December 15	Adopt Final General Fund, EDA, and Capital Budgets and Tax Levy

DRAFT 3/3/2025

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City of Blaine 2026 Budget Schedule

February 10	**Budget Kick-off at Council Workshop**
March 10	**Identify Budget Key Dates at Council Workshop**

March 1-31	Operating Budget Preparation
	• Request Department material changes via email
	• Finance team prepares budget system
	    ○ Create and review budget in system
	    ○ Update scale values, modifiers, etc
	    ○ Review and tie out personnel

April 1-11	**Small group meetings with Mayor and Council** • **High level General Fund and EDA Budget and Levy with material changes and assumptions**

April 1-15	Capital Budget Preparation
	• Finance team prepares budget system
	    ○ Create and review budget in system
	    ○ Tie out to previous year

April 14-May 9	Operating Budget entry and review for departments • Personnel • Revenue and Expenditures
May 5	Charitable Gambling Requests window opens • Review and update online form • Send letters and emails to previous year participants
May 12-June 6	Finance team review and prepare General Fund and EDA Budget and Tax Levy
May 12-June 6	Capital Budget entry and review for departments • Review 2026-2029 • Add 2030 requests
June 9	**General Fund and EDA Budget and Tax Levy presented at Council Workshop**
June 9-June 27	Finance team review and prepare Internal Service Funds
June 9-July 4	Finance team review and prepare Capital Funds Budget

City of Blaine 2026 Budget Schedule

June 23	**Internal Service Funds at Council Retreat**
July 14	**Capital Funds Budget at Council Workshop**
August 11	**Review General Fund, EDA, and Capital Budgets and Tax Levy at Council Workshop**
September 1	**Reserved for budget review at Council Workshop (if needed)**
September 15	Charitable Gambling Requests window closes • Review and organize requests • Prepare scorecards and submitted documentation
September 15	**Adopt Proposed General Fund, EDA, and Capital Budgets and Tax Levy at Council Meeting**
September 22	**Charitable Gambling and Communications Funds at Council Workshop**
September 23	Charitable Gambling Scoring Begins • Email scorecards to the Mayor and Councilmembers
September 29	**Utilities and Refuse Funds at Council Retreat**
September 30	Finance team certify General Fund and EDA levy and submit TNT information to Anoka and Ramsey Counties
October 3	Charitable Gambling Scoring Ends • Compile and prepare overall scoring and recommended contributions
October 13	**Review Charitable Gambling Fund Scoring at Council Workshop**
October 13	**Review General Fund, EDA, and Capital Budgets and Tax Levy at Council Workshop**
November 11-24	Proposed assessed property values received from Anoka and Ramsey Counties

City of Blaine 2026 Budget Schedule

November 10	**Review Utilities and Refuse Funds at Council Workshop**
December 1	**Truth-in-Taxation Public Hearing at Council Meeting**
December 1-15	Charitable Gambling Wrap-up • Send letters and emails to all participating organizations ○ Includes an invite to the February 2, 2026 Council Meeting
December 15	**Adopt Final General Fund, EDA, and Capital Budgets and Tax Levy at Council Meeting**
December 30	Finance team certify General Fund and EDA levy to Anoka and Ramsey Counties
December 30	Finance team complete and submit TNT Compliance and Property Tax Levy Report to the MN Department of Revenue
January 31	Finance team complete and submit the Budget Summary to the Office of the State Auditor
January 31	Finance team complete and publish the Budget Summary with the City's Official Newspaper
March 15	Finance team complete and submit the LG510 Charitable Gambling Report to the MN Gambling Control Board

LMC
LEAGUE of MINNESOTA CITIES

INFORMATION MEMO

Budget Guide for Cities

Learn about new and current state and federal laws that significantly affect city budget decisions, including annual financial figures for minimum wage, cost-of-living adjustments, local government aid (LGA), and more. Includes information on taxation notification procedure for fuel excise tax.

RELEVANT LINKS:

I. Basic budget information

This guide presents legislative and administrative information, as of its revision date, which might be considerations in developing a budget for the coming year. This guide takes into consideration changes following the 2024 regular legislative session, and it will be updated to account for changes due to subsequent special sessions as appropriate. Basic budgeting for cities, such as how to compose an annual budget and the legal timeline for budgeting, are not in this guide. Please see chapters 20 and 21 of the *Handbook for Minnesota Cities* for this information.

Handbook, *Budgeting*.

See State Auditor's Accounting Manual for Small Cities and Towns.

Handbook, *Property Tax Levy*.

Handbook chapter 20 describes what a budget is, and how to use it to communicate to the public. It describes what revenues and expenditures a city must examine as a necessary part of budgeting, other factors that may affect the city's budget, and where to find more information on the budgeting process. Handbook chapter 21 gives more background information on taxes and taxation notification law.

The 2024 Law Summaries.

For information on the new laws affecting cities, see the League's *2024 Law Summaries*, which is available now.

II. Local government aid (LGA)

Minnesota House Research Department: State Aids.

Minn. Stat. § 477A.014, subd. 1.

The House Research Department has updated estimates of 2025 LGA and a wealth of other related data. City officials should keep in mind that the amounts displayed in the revenue document are estimates only at this point. Aid amounts for 2025 will be certified by August 2024.

III. Legislative changes for 2024

The 2024 Law Summaries.

Every year, the League of Minnesota Cities (LMC) publishes the *Law Summaries*, a comprehensive guide to changes and proposed changes from the last legislative session(s). The *2024 Law Summaries* is available now.

RELEVANT LINKS:

2024 Minn. Laws Ch. 122; 2024 Minn. Laws Ch. 127, Art 1-3; 2024 Minn. Laws Ch. 127, Art. 14-15.

2024 Minn. Laws Ch. 112, Art. 3; 2024 Minn. Laws Ch. 112, Art. 2, sec. 13-14; 2024 Minn. Laws Ch. 118.

The 2024 Legislative Session resulted in several changes affecting cities, some of which may impact budgets in the future. There are new funds and grants associated with EMS, transportation and housing. There are also new provisions that may affect budgets based on a city's own circumstances or decisions such as specific city appropriations and the new laws addressing election administration challenges ("presuit" notices), temporary polling places at colleges and universities, and tenants' rights. Throughout the year, the League will provide articles and webinars to help the rollout of these changes. In the meantime, for all legislative changes relevant to cities, please see the *2024 Law Summaries*.

As usual, this *Budget Guide for Cities* features a few of the laws from the current year's legislative session(s) that appear likely to affect or directly relate to most budgets. Those highlights include the following.

2024 Minn. Laws, Ch. 110, Art. 6, § 3 *amending* Minn. Stat. § 177.24, subd. 1.

Minimum wage change. Previously state law distinguished between employers that do more than $500,000 in "business" and those that do less for purposes of minimum wage requirements. Effective January 1, 2025, there is no longer a distinction between these "large" and "small" employers. As a result, all employers will be subject to the higher minimum wage standards that were previously only for large employers. (There remain lower rates for employees under the age of 20, during the first 90 days of consecutive employment).

Additionally, effective August 1, 2024, the minimum wage rate will be raised every year the lesser of the percentage of inflation increase over the prior year or 5%. Previously the annual raise was the lesser of the inflation increase or 2.5%. For context, in the Midwest, the percentage increase was below 2.5% measured in 2015 through 2020, and it was higher than 5% in 2021 and 2022. The most recent measurement, from 2022 to 2023, was around 3.4%.

2024 Minn. Laws. Ch. 127, Art. 11.

Earned sick and safe time modifications. Several changes were made to this now year-old law. For budgetary purposes, two of the more important changes are the addition of an explicit remedy for noncompliance and the "hourly" rate redefined as a "base" rate. Both changes became effective the day after the law was signed.

The new remedy provision makes employers directly and financially liable to employees for noncompliance with the Earned Sick and Safe Time law. If an employer has insufficient documentation to show compliance, the employer will be held liable for an amount equal to 48 hours of earned sick and safe time for each year the time was not provided, plus liquidated damages.

The "base rate" change is more of a clarification. If an employee makes an hourly wage, the base rate is still the hourly rate. If the employee makes more than one hourly rate, the base rate is the hourly rate during the time the leave is taken. If the employee is salaried, they are entitled to receive what they would have received if they hadn't taken the leave.

RELEVANT LINKS:

2024 Minn. Laws Ch. 127, Art. 11, § 7 *amending* Minn. Stat. § 181, 9445, subd. 5.

Please note: Another change in the law which took effect the day after the law was signed was to exempt several roles from the definition of "employee" for purposes of the Earned Sick and Safe Time law. Those exempt roles are city council members, volunteer/paid on-call firefighters, volunteer ambulance attendants and paid on-call ambulance service personnel.

2024 Minn. Laws, Ch. 127, Art. 73, § 10 *amending* Minn. Stat. § 268B.01, subd. 23.

Minnesota Paid Leave Law Technical Changes. Effective May 25, 2024, the definition of "family member" is expanded to include the child of a domestic partner. It is also clarified that, if an employee is expected to care for a person only due to the nature of the personal relationship, the person is considered a "family member" only if the employee is not otherwise compensated for their care.

IV. Taxation notification procedure

Minn. Stat. § 275.065, subd. 1.

Minn. Stat. § 275.066.

Minn. Stat. § 275.065, subd. 1.

The table below outlines the annual taxation notification procedure and deadlines (sometimes called "truth in taxation" or "TNT"). The deadline for cities to adopt the preliminary tax levy and certify it to the county auditor is Sept. 30. The deadline for "special taxing districts," such as economic development authorities (EDAs), housing and redevelopment authorities (HRAs), port authorities, and others, is also Sept. 30.

Department of Revenue: Truth in Taxation.
See *Adopting the Final Property Tax Levy,* LMC Model Resolution.
Minn. Stat. § 275.065, subd. 3, paragraphs (c), (i).

According to the Department of Revenue, cities with populations of 500 or less and all special taxing districts (except the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control Commission) are exempt from the requirement to hold a meeting with public input prior to adoption of the final levy. All cities, including cities with populations of 500 or less, and special taxing districts must still certify proposed property tax levies to the county auditor on or before Sept. 30, 2024.

RELEVANT LINKS:

Taxation Notification Summary Chart for Taxes Payable 2025	
Date	**Action**
On or before Sept. 30	All cities and special taxing districts must adopt any proposed property tax levy and certify the proposed levy to the county auditor.
On or before Sept. 30	At one meeting, in cities of population greater than 500, the city council adopts the proposed property tax levy and announces the time and place of a future city council meeting at which the budget and levy will be discussed and public input allowed, prior to final budget and levy determination. This public input meeting must occur after Nov. 24 and must start at or after 6 p.m. The time and place of the public input meeting must be included in the minutes, but newspaper publication of the minutes is not required. Cities over 500 population must provide the county auditor with the following information*: • The time and place of the meeting at which the budget and levy will be discussed and public input allowed. (Again, meeting must occur after Nov. 24, and must not start before 6 p.m.) • A phone number and website (if available) that city taxpayers may use if they have questions related to the auditor's property tax notice; this does not require listing a private phone number. • An address where comments will be received by mail; this does not require listing a private address. • The certified levy for the current taxes payable year, the proposed levy for taxes payable in the following year, and the increase or decrease between these two amounts, expressed as a percentage.
Nov. 11 to Nov. 24	County auditor prepares and sends parcels specific notices.
Nov. 25 to Dec. 30	Cities of population greater than 500 hold meeting (at 6 p.m. or later) to discuss the budget and property tax levy and, before a final determination, allows public input.
On or before Dec. 30	Cities certify the final levy. Cities must also file the certificate of compliance with the Department of Revenue by Dec. 30, 2024. The department usually supplies a Form TNT for these purposes closer to the time of certification.

Minn. Stat. § 275.07, subd. 1.

All cities and special taxing districts must certify the final property tax levy to the county auditor on or before Dec. 30, 2024 (five working days after Dec. 20). If this deadline is missed, the final levy will stay the same as it was in the preceding year.

RELEVANT LINKS:

26 U.S.C.A. § 3121.(b)(B)(7)(F) (iv). Circular E Employers' Tax Guide (IRS Publication 15).

V. Election worker wages and withholding

Income tax withholding. Election workers' pay is exempt from state and federal income tax withholding. Election workers are responsible for declaring the wages as personal income and may have to pay income tax depending on the worker's personal situation — but the city need not withhold income taxes.

Social Security Administration, Election Workers (Defined). Election Officials and Workers. PERA: Social Security for Government Employers.

Federal and/or state tax withholding, including withholding for Social Security and Medicare. If an election worker is paid less than $2,300 in 2024, no Social Security or Medicare taxes are withheld. Cities do not need to issue W-4s for election workers earning less than $2,300. At the time of publication, the threshold to anticipate for 2025 had not been established.

Internal Revenue Service, *Election Workers: Reporting and Withholding*.

Issuing W-2s. If an election worker earns $600 or more in a year, cities must issue that person a W-2. According to IRS contacts, W-2s may be issued to election workers earning less than $600 for software and bookkeeping purposes.

PERA Employer Manual, Ch. 3.
Minn. Stat. § 353.01, subd. 2b(a)(3).

PERA withholding. Election judges are local governmental employees, but the wages earned in these positions are not subject to PERA withholding. For example, if a city employee is also employed by the city as an election judge, the wages earned as a city employee are subject to PERA withholding (assuming the earnings threshold is met). However, any wages paid for the election judge services must be subtracted from the gross wages prior to calculating the PERA contributions, as the earnings as an election judge are excluded from PERA withholding.

Payroll. The federal government classifies election judges as employees. Therefore, it seems reasonable to pay them through the payroll system, rather than other accounts, to ensure accurate tracking of wages paid to each judge. However, this is offered as a practical tip, not as a requirement in law or rule.

VI. Employment-related changes

A. Optional standard IRS mileage rate

IRS Standard Mileage Rates.

The IRS standard mileage rate for the latter half of 2023 *was* 65.5 cents per mile for business miles driven, up from 62.5 cents in early 2022.

The standard mileage rate for 2024 is 67 cents per mile. This is an increase of 1.5 cents per mile from 2023.

At the time of publication, 2025 rates are not yet available.

RELEVANT LINKS:

PERA.

B. 2025 PERA contribution rates

The 2024 regular legislative session resulted in no changes to employer or employee contributions to either the defined benefit or defined contribution plans.

EMPLOYEE CONTRIBUTIONS		
Defined Benefit Plan (DBP)	**Calendar year 2023**	**Calendar year 2024**
Basic	9.10%	9.10%
Coordinated	6.50%	6.50%
Police and Fire	11.8%	11.8%
Defined Contribution Plan (DCP)	**Calendar year 2023**	**Calendar year 2024**
Elected Officials	5.00%	5.00%
Physicians	5.00%	5.00%
City Managers/Administrators	6.5%	6.5%
Ambulance/Rescue Squad Personnel	Rate set by employer	Rate set by employer
Certain volunteer or on-call firefighters not covered for that service by the PERA Police and Fire Plan or by a relief association under chapter 424A.	7.5% or more made either solely from compensation paid to the firefighter or through a combination of member and employer contributions.	7.5% or more made either solely from compensation paid to the firefighter or through a combination of member and employer contributions.

RELEVANT LINKS:

EMPLOYER CONTRIBUTIONS		
Defined Benefit Plan (DBP)	**Calendar year 2023**	**Calendar year 2024**
Basic	11.78%[1]	11.78%
Coordinated	7.50%[2]	7.50%
Police and Fire	17.7%	17.7%
Defined Contribution Plan (DCP)	**Calendar year 2023**	**Calendar year 2024**
Elected Officials/Physicians	5.00%	5.00%
City Managers/Administrators	6.5%	6.5%
Ambulance or Rescue Squad Personnel	Rate set by employer	Rate set by employer
Volunteer or On-call Firefighters not covered for that service by the PERA Police and Fire Plan or by a relief association under chapter 424A.	7.5% or more made either solely from compensation paid to the firefighter or through a combination of member and employer contributions	7.5% or more made either solely from compensation paid to the firefighter or through a combination of member and employer contributions
1 This represents the employer match of the Basic Plan employee deduction (9.10%) and an employer additional amount at 2.68%. 2 This rate represents the employer match of the Coordinated Plan employee deduction (6.50%) and an employer additional amount of 1%.		

C. Employee contributions to deferred compensation

Minnesota Deferred Compensation Plan.

Deferred compensation. Please note: Each calendar year in the fall, the IRS updates the annual contribution limits, based on cost-of-living adjustments (COLA). *At the time of publication, 2025 information is not available.*

2024 Annual Maximum Contribution Limits*

Participant age	Contribution Limits
Under age 50	$23,000
Age 50 and over	$30,500
Catch up provision	$46,000

RELEVANT LINKS:

*The maximum deferral amounts change each year due to changes in the COLA, if any. Although the employee contributions to a deferred compensation plan reduce the individual's taxable income, the city will still need to budget for the employer's share of Social Security and Medicare to the same extent that these withholdings would be required on the employee's regular earnings.

D. Social Security and Medicare withholding

See IRS Circular E, Employers' Tax Guide (IRS Publication 15).

2024 Social Security and Medicare Tax Rates.

The 2025 Social Security and Medicare withholding amounts are not available at the time of this publication.

In 2024, for employers:

- The Social Security tax rate is 6.2%.
- The Medicare tax rate is 1.45%.

This combined rate of 7.65% is unchanged from 2023.

E. Unemployment costs

Unemployment Insurance Minnesota.

A conservative estimate of the amount of unemployment benefits a city may pay a laid off employee is approximately half the employee's average weekly wage, up to the maximum of $890 per week. Most cities are classified as "reimbursing employers." This means the city reimburses the state for unemployment benefits paid out to a former employee.

F. Health and dental insurance costs

Both health and dental insurance options popular with Minnesota cities have experienced changes in the past few years, resulting in a wide range of pricing from decreases to 50% increases. Both lines of coverage have seen an increase in claims costs driven largely by increased reimbursement rates requested by providers due to labor shortages. Because timing of contracts negotiated between providers and carriers varies, expect to see the full impact of negotiated rates increasing over the next few years. Health insurance is also impacted by federal and state government policy changes, which can dramatically impact cost changes. Lastly, current and predicted increases in pharmaceutical spending continues to contribute to rising employer costs. All of these factors are impacting all cities, including pooled or direct with carrier as well as self-funded and fully-insured.

RELEVANT LINKS:

IRS Health Reimbursement Arrangements and Other Account-Based Group Health Plans.

Gallagher Final HRA Regulations.

Gallagher HRA Summary Comparison.

IRS Affordable Care Act Guidance.

IRS FAQs on ACA.

DOL FAQs on ACA.

LMC website, Healthcare Reform Provisions Unique to Small Employers.

LMC website, Federal Health Care Reform.

Given the increases in health insurance premiums and the affordability challenges it creates for both employers and employees, various Federal Departments have updated guidance pertaining to employers reimbursing employees for individual health insurance plans, on either a pre-tax or after-tax basis. While these updated regulations are meant to provide flexibility for employers, these individual coverage HRAs options have not become very popular for most employers. For those cities interested in exploring these options, resources have been included in the links to the left.

Cities need to make sure they are complying with the federal Affordable Care Act (ACA). On Feb. 10, 2014, the IRS released the final regulations implementing the employer shared responsibility mandate which affects many cities.

Employers are permitted to disregard seasonal employees when determining employer size if the employer's workforce exceeds 50 full-time equivalent (FTE) employees for no more than 120 consecutive days and the number of employees exceeding 50 during that time were seasonal employees, based upon the prior years' average number.

While most health care reform provisions apply to employers uniformly, regardless of size, there are a few provisions that may specifically benefit small cities that qualify as small employers. The benefits to small employers include:

- Exemption from penalties since they need not offer coverage.
- Availability of coverage through state exchanges effective Jan. 1, 2014.
- Exemption from reporting health care costs on W-2s.
- The ability to use a SIMPLE Cafeteria Plan.
- Since Jan. 1, 2017, small employers can provide a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) that reimburses employees for the medical care expenses of the employee, the employee's spouse, and the employee's dependent children, including individual health insurance policies purchased on the individual market. Certain requirements must be met before a city offers a QSEHRA.

There are other provisions and compliance issues associated with health care reform for all employers such as requirements for coverage of preventive care, prohibitions against pre-existing exclusions, essential benefits, break times for nursing mothers, and other employee protections.

The DOL and the IRS continue issuing critical guidance regarding implementation details for health care reform. We recommend you visit the LMC website for the most up-to-date information and guidance on federal health care reform legislation and pending regulations.

RELEVANT LINKS:

Gallagher guidance on 6055 and 6056 Reporting.

IRS Resource.

The ACA has reporting requirements for providers of health insurance and applicable large employers that must be sent to covered individuals and the IRS, which started the beginning of 2016. **Effective Jan. 1, 2024, all employers filing 10 or more returns will be required to file electronically.** This is a significant change from the previous threshold of 250 returns. If you are still in need or a solution, please consider working with your payroll vendor, tax professional, or health insurance broker for more assistance.

G. Cost-of-living adjustment information

Minnesota Economy at a Glance from the BLS Midwest Information Office.

Cities often look at cost-of-living adjustments when setting salaries for the coming year. One measure is the consumer price index (CPI), published by the Bureau of Labor Statistics, U.S. Department of Labor. The CPI is a measure of the average change over time in prices paid by consumers for goods and services.

See the BLS Consumer Price Index, Midwest Region.
See "What Inflation Means for State and Local Budgets".

Inflation has dwindled over the past year as it approaches pre-2020 levels, yet prices remain higher. The CPI for the Midwest urban region increased 2.8% between April 2023 and April 2024. This is down from the 4.9% increase for the same period from 2022 to 2023, and the 8.2% increase from 2021 to 2022. Other methods of adjusting salaries for inflation may also exist, depending upon the particular city, and these may be used instead of the CPI.

VII. Coverage and dues

A. LMCIT coverage

LMC information memos, Reducing LMCIT Premium Costs and Comparing Coverage Quotes.

Most Minnesota cities are members of the League of Minnesota Cities Insurance Trust (LMCIT) for property, liability, auto, and workers' compensation coverage. Cities purchasing insurance from a private company should ask their provider about insurance coverage options, claim trends, and costs. Cities looking for possible ways to reduce their premiums can reference the memo Reducing LMCIT Premium Costs.

LMC website, Premium Rates.

LMCIT members' annual premium costs are affected by rates, exposures, and experience. In addition to rates, which are set by LMCIT in the fall, cities' costs can fluctuate if there are changes in exposures — such as payrolls, city expenditures, or property values — or changes in experience rating for workers' compensation, municipal liability, or auto liability. Generally, experience rating formulas compare expected losses for individual members within a recent three-year period to the actual losses during the same period, and if losses are greater (or less) than expected, a premium debit (or credit) is applied.

Below are preliminary estimates for rates, which would take coverages renewing on or after Jan. 1, 2025.

RELEVANT LINKS:

These are not guarantees. Annual actuarial reviews, other rate development work, and reinsurance costs will be calculated this fall, at which time LMCIT will be able to give a definite answer on premium rates for 2025. Final rates can vary substantially from our preliminary estimates.

Rates are only one piece of the puzzle — changes in exposures and experience rating will impact premium costs as well. As always, cities can check with LMCIT starting in October for an updated outlook on premiums. Or if you'd like to learn more about your city's specific situation, contact your agent or LMCIT underwriter.

1. Workers' compensation

At this point, we are not expecting a need to increase rates overall for 2025. Claim costs trends have stabilized and we are expecting more investment income moving forward to help subsidize rates.

Of note for 2025: we are adjusting the relative rates for specific job classes – so rates for some job classes will increase and others will increase. For a member with a diversified mix of payroll exposure by job class, we're not expecting the average rate change to increase. But given we don't yet know for certain which job classes will see rate increases and which will see decreases, and each member's mix of payroll by job class is a little different, we might suggest allowing some cushion by assuming a 5% average rate increase for budgeting purposes.

When budgeting for workers' comp, consider the product of the following: 1) Rates; 2) Increase in exposure (payroll); 3) Change in experience rating modification. For example:

- If current LMCIT premium is $100,000
- And if rates increase 5%; estimated payroll is increasing 5%; and the experience mod is expected to increase 10%.
- Then, it might be reasonable to budget for $121,275. ($100,000 X 1.05 X 1.05 X 1.10)

Consider rates, exposure, and experience rating. Rates are only one piece of the puzzle — changes in payroll exposure and experience rating will impact premium costs as well. If you'd like to learn more about your city's specific situation, contact your agent or LMCIT underwriter.

2. Property coverage

Relative to other parts of the country, property losses for LMCIT members in the past few years haven't been overly concerning which is good news for purposes of rate-setting, but we'll need to see what happens with summer storms.

The reinsurance market is still in a somewhat hard cycle, meaning generally higher costs and more limited coverage due to less supply of reinsurance capacity. Reinsurance costs are a significant expense for the LMCIT property coverage program and it's uncertain how the reinsurance market will behave later this year. Given the reinsurance uncertainty, cities may want to allow for a 3-5% increase for property coverage rates on average. Members with electric utility property should be prepared for larger premium increases for those specific building and facility types - an additional 10%.

Inflation is particularly relevant for property coverage. It impacts the cost of claims and the replacement cost value of buildings and contents, which is the basis to which rates are applied to calculate premiums. Property appraisals in recent years have discovered a lot of members' properties to be undervalued. Aside from the property appraisals — which are conducted every seven years — LMCIT applies an inflation guard factor annually to members' property values to keep pace with inflation. The inflation guard factor for renewals effective Nov. 15, 2023-24 is 5% for buildings and 7% for building contents. We'll establish the inflation guard factor for 2025 renewals in July 2024 – at this point, we're expecting something similar, in the range of 4-6%.

When budgeting for property coverage, consider the product of the following: 1) Rates; 2) Increase in exposure (replacement cost value of covered property). For example:

- If current LMCIT premium is $100,000
- And if rates increase 5% and replacement costs values for covered property are estimated to increase 6%.
- Then, it might be reasonable to budget for $111,300 ($100,000 X 1.05 X 1.06)

Consider rates and exposure. Rates are only one piece of the puzzle — changes in your property replacement cost values will impact premium costs as well. Plan for property value increases of at least 5-7%. If you'd like to learn more about your city's specific situation, contact your agent or LMCIT underwriter.

3. Liability coverage

Loss cost trends in recent years have been relatively stable. Changes in the police liability environment, potential federal or state reforms, and the escalation in the value of serious claims is something we're monitoring and could impact pricing for police liability as well as excess liability limits.

LMCIT suggests cities allow for possible rate increases in the range of 5-9% primarily to account for inflationary considerations, toward the higher end for members with police liability or excess liability limits as the reinsurance market for excess limits is a bit in flux. Inflationary pressure for the insurance industry is due not only to traditional inflationary measures for things like goods, labor, and medical costs, but also due to increased evidence of social inflation, which is a phenomenon by which claim costs increase faster than generic inflation due to increased litigation costs and plaintiffs seeking and receiving increasingly high judgments.

When budgeting for liability coverage, consider the product of the following: 1) Rates; 2) Increase in exposure (#employees, sewer connections, annual expenditures, households) 3) Change in experience rating modification. For example:

- If current LMCIT premium is $100,000
- And if rates increase 5%; exposures are increasing 3%; and the experience mod is expected to increase 15%.
- Then, it might be reasonable to budget for $129,780. ($100,000 X 1.05 X 1.03 X 1.15)

Consider rates, exposure, and experience rating. Rates are only one piece of the puzzle — changes in your exposure (annual expenditures, number of employees, number of sewer connections, and number of households) and experience rating will impact premium costs as well. If you'd like to learn more about your city's specific situation, contact your agent or LMCIT underwriter.

4. Auto coverage

Auto coverage loss costs have continued to rise in recent years. Auto claims are costing more due to the increased prevalence in technology in vehicles that's both easy to damage and costly to repair. New and used vehicles are more expensive and components are scarce and more costly to obtain. We'd suggest allowing for 5-10% increases for auto rates to account for the increased cost of claims and for inflationary considerations.

When budgeting for auto coverage, consider the product of the following: 1) Rates; 2) Increase in exposure (#autos) 2) Change in experience rating modification. For example:

- If current LMCIT premium is $100,000
- And if rates increase 10%; exposures are increasing 2%; and the experience mod is expected to increase 10%.
- Then, it might be reasonable to budget for $123,420 ($100,000 X 1.10 X 1.02 X 1.10)

RELEVANT LINKS:

Consider rates, exposure, and experience rating. Rates are only one piece of the puzzle — changes in your exposure (number and types of autos) and experience rating will impact premium costs as well. If you'd like to learn more about your city's specific situation, contact your agent or LMCIT underwriter.

B. League dues

Many factors influence the LMC Board's decision when setting dues, including cities' financial situations, inflation, strategic plan initiatives, non-dues revenue sources, and various other factors.

To estimate dues payable January 1, 2025, cities should complete the following steps:

1. Estimate the city's population for 2023.
2. Find the estimated population from step 1 in the table below to compute the estimated dues payable January 1, 2025, covering membership from January 2025 - December 2025.
3. If needed, to estimate the dues payable September 1, 2024, covering membership from September 2024 – December 2024, take the amount calculated in Step 2 and divide by 3.

With the League changing its' fiscal year to a calendar year, League dues for the upcoming 16-month fiscal year (September 2024 – December 2025) will be billed on two separate dates. The first billing on September 1, 2024, will cover membership from September 2024 - December 2024. The second billing on January 1, 2025, will cover membership from January 2025 – December 2025. The estimated dues payable on January 1, 2025, are computed based on the maximum dues schedule below:

Population	Amount	Per capita rate
249 OR LESS	$476	0
250 - 4,999	$165	1.2565
5,000 - 9,999	$1,312	1.0271
10,000 - 19,999	$2,845	0.8739
20,000 - 49,999	$9,702	0.5311
50,000 - 299,999	$28,722	0.1507
300,000 AND OVER	$48,386	0.0852

For example: If your city's estimated 2023 population is 6,251 residents, your estimated dues to cover membership from January 1, 2025 through December 31, 2025 would be $7,732 ($1,312 + 6,251*1.0271).

RELEVANT LINKS:

Due to the League changing fiscal years, your city would be billed $2,577 ($7,732/3) on September 1, 2024 for September 2024 – December 2024 membership and the city would be billed $7,732 on January 1, 2025 for January 2025 – December 2025 membership.

Contact Milton Ferris at the League at mferris@lmc.org or (651) 215-4023 or (800) 925-1122.

If you need assistance estimating population or dues, call the League's Assistant Finance Director - Operations.

VIII. Excise taxes on motor fuel

See IRS Publication 510 Appendix for Model Certificates:
M - Ultimate Purchaser;
P - Diesel Fuel Tax Exemption; and
R – Buyer of Taxable Fuel.

Cities are exempt from federal excise tax on diesel fuel and gasoline under various sections of the Internal Revenue Code. Cities may make tax-exempt purchases or apply for a refund of taxes paid upon filing certain certificates.

Truth-in-Taxation Instructions for Taxes Payable 2025

Key Points

- Public meetings must take place at **6:00 p.m.** or later
- **Certification of Compliance** must be submitted on or before Dec. 30, 2024
- The instructions provided here are primarily found in Minnesota Statutes, section 275.065.

Questions? Please email PropTax.Admin@state.mn.us

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Law Changes

The 2024 Legislature made two changes to Minnesota Statutes, section 275.065:

- Added a requirement for property subject to the areawide tax under section 276A.06, subd. 7, for both the current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes shown for each taxing jurisdiction must be based on the property's total net tax capacity multiplied by the jurisdiction's actual or proposed net tax capacity rate.
- Added a requirement for property subject to the areawide tax under section 276A.06, subd. 7, the statement must include a line showing the "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may be a negative number. If the fiscal disparities adjustment for either the current year taxes or the proposed tax amount is a negative number, the percentage change must not be shown.

Compliance

The Department of Revenue does not require counties to submit samples of their proposed taxes notice for approval. County staff are welcome to send a sample to Revenue staff at PropTax.Admin@state.mn.us for review and feedback. The county auditor is responsible for preparing the notice according to state law and the guidelines provided by the department. (M.S. 275.065, subd. 3, para. (a))

Truth-in-Taxation Calendar/Checklist for Payable 2025

Done	Due Date	Task
☐	**On or before Sep. 16, 2024**	The Metropolitan Council and Metropolitan Mosquito Control Commission certify their proposed property tax levies for payable 2025 to the county auditor. See **Adoption and Certification of Proposed Tax Levy** for more information.
☐	**On or before Sep. 30, 2024**	Each county, city, town, special taxing district (excluding the Metropolitan Council and Metropolitan Mosquito Control Commission), and school district certifies its proposed property tax levy for payable 2025 to the county auditor. See **Adoption and Certification of Proposed Tax Levy** for more information.
☐	**On or before Sep. 30, 2024**	Cities with a population over 500, counties, school districts, the Metropolitan Council, Metropolitan Airports Commission, Metropolitan Mosquito Control District, and regional library authorities established under M.S. 134.201 submits its date for the public meeting to the county auditor. If not received by this date, the county auditor will assign the meeting date.

☐	**On or before Oct. 7, 2024**	The home county auditor of each school district, city, or special taxing district located in two or more counties certifies the proposed local tax rate to the other county auditor(s).
☐	**On or before Oct. 7, 2024**	Each school district that received an extension certifies its proposed property tax levy for payable 2025 to the county auditor.
☐	**On or before Oct. 10, 2024**	A taxing authority certifies the amended portion of its proposed property tax levy to reflect the result of a negotiated agreement for sharing, merging, or consolidating services.
☐	**On or before Oct. 10, 2024**	The home county auditor certifies the proposed local tax rate to the other county auditor(s) for a taxing district granted an extension located in two or more counties.
☐	**Nov. 11 - Nov. 24, 2024**	The county delivers a parcel-specific notice of proposed property taxes to each taxpayer. See **Parcel-Specific Notice: General Instructions** and **Parcel-Specific Notice: Detail** Explanation for more information.
☐	**Nov. 25 - Dec. 30, 2024**	Cities with a population over 500, counties, school districts, the Metropolitan Council, the Metropolitan Airports Commission, the Metropolitan Mosquito Control District, and any applicable regional library authority hold their public meetings. See **Action Required at Public Meeting** more information.
☐	**No later than Dec. 30, 2024**	Cities with a population over 500, counties, the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District **adopt** their final payable 2025 property tax levies and their payable 2025 budgets. School districts adopt their final payable 2025 property tax levies. See **Allowable "Add-on" Levies** for more information
☐	**On or before Dec. 30, 2024**	Counties, school districts, all cities, and all special taxing districts **certify** their final adopted payable 2025 property tax levies to the county auditor. See **Certification of Final Property Tax Levy** for more information.
☐	**On or before Dec. 30, 2024**	Any town that has changed its levy at a special town meeting after Sep. 30, 2024, recertifies its final property tax levy amount.
☐	**On or before Dec. 30, 2024**	Each county, city with a population over 500, school district, the Metropolitan Council, the Metropolitan Airports Commission, the Metropolitan Mosquito Control

		District, fire protection and emergency medical services special taxing districts established under chapter 144F, and any applicable regional library authority submits Form TNT to the Department of Revenue to certify compliance. (See **Certification of Compliance** for more information.)

Adoption and Certification of Proposed Tax Levy

Deadline for Metropolitan Council and Metropolitan Mosquito Control Commission to certify proposed levy – Sep. 16, 2024

Each of these metropolitan special taxing districts must adopt its proposed property tax levy for the taxes payable year 2025 and certify that amount to the home county auditor on or before Sep. 16, 2024. The proposed property tax levy certified should be the special taxing district's proposed property tax levy for all purposes, including debt service.

Deadline for counties, cities, and special taxing districts to certify proposed levy – Sep. 30, 2024

The county board and governing body of each city or special taxing district (other than the Metropolitan Council and Metropolitan Mosquito Control Commission) must adopt its proposed property tax levy for the taxes payable year 2025 and certify that amount to the home county auditor on or before Sep. 30, 2024. The proposed property tax levy certified should be the taxing jurisdiction's proposed property tax levy for all purposes, including debt service.

The proposed levies of **regional rail authorities** within the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under Minnesota Statutes, chapter 398A, must be included with the county's proposed levy.

City with a population of 500 or less

At the time that the city certifies its proposed property tax levy, it may inform the county auditor that its proposed levy is also its final property tax levy, in which case no further certification is necessary. However, the city council of a city with a population of 500 or less may revise its levy from the Sep. 30 proposed amount and adopt a final property tax levy at either a regular city council meeting or at a special public meeting held after Sep. 30, 2024. If a city with a population of 500 or less revises its property tax levy from the Sep. 30, 2024, proposed amount, the revised or final levy may also be less than the proposed levy but must not exceed the proposed property tax levy except for certain allowable "add-on" levies. See **Allowable "Add-on" Levies** for more information.

Deadline for school districts to certify proposed levy – Sep. 30, 2024

Each school district must adopt its proposed property tax for the taxes payable year 2025 and certify that amount to the home county auditor on or before Sep. 30, 2024. If a school district has agreed with its home county to delay certification, the deadline is Oct. 7, 2024. The proposed property tax levy certified should be the school district's proposed property tax levy for all purposes, including debt service. The school district must certify its proposed levy in two amounts: (1) the voter-approved referendum and debt levies; and (2) the sum of the remaining school levies, or the maximum levy limitation certified by the commissioner of education according to Minnesota Statutes 126C.48, subd. 1, minus the amounts levied under (1). "Voter-approved levies" means school district taxes approved at referendums for both (a) operating purposes, and (b) debt. Voter approved levies include those referendum levies based on market value and net tax capacity.

Intermediate school districts that levy a tax under chapter 124 or 136D, joint powers boards established under Minnesota Statutes 123A.44 to 123A.446, and Common School Districts No. 323 (Franconia) and No. 815 (Prinsburg) are special taxing districts for the purposes of M.S. 275.065, and are exempt from the public meeting requirements.

Deadline for towns to certify levy – Sep. 30, 2024

Each town must certify its final property tax levy to the county auditor on or before Sep. 30, 2024. This is also considered the town's proposed levy. If the town board changes the levy at a special town meeting after Sep. 30, 2024, it must recertify its levy to the county auditor by Dec. 30, 2024.

Failure to certify a proposed levy

If a taxing authority fails to certify its proposed levy by the due dates specified in this section, the county auditor shall use the authority's previous year's final certified levy for purposes of determining its proposed taxes notices.

Market value-based referendum taxes

Market value-based referendum taxes must be certified separately from the proposed property taxes of the county, school district, city, town, and special taxing district.

Sharing, merger, or consolidation of services

If two or more taxing authorities are negotiating an agreement for the sharing, merger, or consolidation of services at the time that the proposed levy is to be certified, each of them is to certify its proposed levy to the county auditor and include a notification of the specific service or services involved in the agreement that is not yet finalized. Each of these taxing authorities may amend the portion of its proposed property tax levy relating to the specific service or services involved as late as Oct. 10 of the levy year to reflect the result of the negotiated agreement.

If there is an agreement pending when the county auditor sends the Department of Revenue the preliminary levy survey under M.S. 275.07, subd. 4, that information should be noted with the survey. The county auditor is to certify the amended proposed levies for these taxing authorities to the Department of Revenue as soon as possible after Oct. 10.

Overlapping jurisdictions

In the case of a school district, city, or special taxing district located within two or more counties, the home county auditor must certify the proposed levy and the proposed local tax rate to the other county auditor(s) by Oct. 5, 2024 (Oct. 10 for a school district that had reached an agreement with the county auditor to certify their proposed levy on or before Oct. 7). The home county auditor must estimate the rate if another county has not certified the appropriate information. If requested by the home county auditor, the other county auditor must furnish an estimate of the appropriate information to the home county auditor.

Public Meeting

Public meeting requirements

The following taxing authorities are required to hold a meeting at which the budget and levy will be discussed, and the public allowed to speak.

- Counties
- Cities with a population over 500
- School districts
- Metropolitan special taxing districts
- Fire protection and emergency medical services special taxing districts established under chapter 144F
- Regional library authorities established under M.S. 134.201

The meeting must be after Nov. 24 and no later than Dec. 30 and held at 6:00 p.m. or later. This meeting may be part of a regularly scheduled meeting. If a regular meeting is not scheduled between Nov. 24 and Dec. 30 at 6:00 p.m. or later, it will be necessary to schedule a special meeting for this purpose.

Towns are not required to hold a public meeting. Special taxing districts (except for those listed above) are not required to hold a public meeting.

Public meeting announcement

A taxing authority shall announce, at the meeting in which the proposed tax levy is adopted, the time and place of its subsequent regularly scheduled meetings at which the budget and levy will be discussed, and the public allowed to speak. For taxing authorities required to hold a public meeting, this should include the meeting required to be held after Nov. 24 and no later than Dec. 30, at 6:00 p.m. or later. For taxing authorities required to publish a summary of proceedings in an official newspaper, the time and place of the public meeting must also be included in the publication (M.S. 123B.09, subd. 10; 375.12; or 412.191, subd. 3).

Public meeting information to the home county auditor

A taxing authority required to hold a public meeting must inform its home county auditor of the time and place of the public meeting at the same time the proposed levy is certified, so it may be included in the parcel-specific notice.

Public meeting information on the parcel-specific notice

The parcel-specific notice must state for each taxing authority required to hold a public meeting, the time and place of the regularly scheduled meeting at which the budget and levy will be discussed and the public allowed to speak.

No county coordination of meetings

The county auditor is not required to coordinate a taxing authority's selection of its meeting date to prevent a conflict with a meeting of another taxing authority.

Parcel-Specific Notice: General Instructions

Purpose

The parcel-specific notices inform taxpayers about their proposed 2025 tax amounts by jurisdiction. They also provide the necessary information for each taxing authority required to hold a public meeting to discuss their proposed property budgets and levies for taxes payable year 2025 or, in the case of school districts, the current school year budget.

Delivery dates – Nov. 11 – 24, 2024

The county auditor is responsible for preparing the parcel-specific notices and the county treasurer is responsible for delivering the notice by first class mail to each taxpayer in the county. It must be delivered by first class mail after Nov. 10 and on or before Nov. 24.

Notice sent to each taxpayer

The law provides a parcel-specific notice must be sent to each taxpayer listed on the county's assessment roll for the taxes payable year 2025. This must be done for each parcel within the county owned by the taxpayer. This includes real and personal property, but not manufactured home property taxed as personal property. Manufactured home property taxed as personal property is not included since it is assessed and taxed in the same year. A buyer under a contract for deed is to be considered a "taxpayer" for the purpose of this notice.

Notice sent to taxpayer even if not the party paying taxes

The parcel-specific notice must be sent to the taxpayer of a parcel of real or personal property even if the taxpayer is not the party paying the property taxes. An example would be a homeowner whose property tax is paid by a lending institution through an escrow account. In this example, the parcel-specific notice should be sent to the homeowner. The notice is not to be sent to the lending institution.

Notice not sent for tax-exempt property

A parcel-specific notice does not need to be sent to the owner of tax-exempt property.

Classification change since 2024 property tax statements issued

If the classification of the property has changed between the 2024 and 2025 tax years, the 2024 amounts are still to be shown as long as a split or parcel combination is not involved.

Optional Supplemental information

With consent of the county board, the governing body of a county, city, or school district may include supplemental information with the notice of proposed property taxes about the impact of state aid increases or decreases and on the level of services provided in the affected jurisdiction. The supplemental information may include information for the following year, current year, and as many consecutive preceding years as deemed appropriate by the governing body. The information may only include:

1. The impact of inflation as measured by the implicit price deflator for state and local government purchases;
2. Population growth and decline;

3. State or federal government action; and
4. Other financial factors that affect the level of property taxation and local services.

The information may be presented using tables, written narrative, and graphs. The information may contain instruction toward further sources of information or opportunity for comment. (M.S. 275.065, subd. 3, para. (j))

County or city with population over 15,000

A county or city with population over 15,000 may include the salary information required by law on the parcel-specific notice. (M.S. 471.701)

Parcel-Specific Notice: Formatting

Form prescribed by the Department of Revenue

Law provides that the commissioner of revenue must prescribe the form of the parcel-specific notice. The headings and text of your county's parcel-specific notice must be exactly as shown on the prescribed form. No other comments or information may be included on the form except as permitted below.

The Department of Revenue's truth-in-taxation webpage provides examples of payable 2025 parcel-specific notices.

Format of notice

The dimensions of the county's parcel-specific notice are **not** restricted to the dimensions of the example notices (8-1/2" X 11"). The overall size should at least 8-1/2" X 11" and can be larger, such as 8-1/2" x 14". The name and address of the taxpayer may be repositioned as needed to fit in a window envelope.

In order to fit onto a notice adapted to the county's printing capabilities, the text of the notice may be separated from the tax data and printed on the back side of the notice, or the text and the tax data may be printed side by side.

The parcel-specific notice may be printed on a pressure-sealer mailer, however, this may not be compatible with the **Required Supplemental Information** and a sample is not provided for this format.

Electronic notice

Upon written request by the taxpayer, the treasurer may send the notice electronically instead of on paper through the mail.

Parcel-Specific Notice: Detail Explanation

Identification Section

Owner(s). The name and address shown should be for the taxpayer, not a lending institution. A taxpayer must receive a separate notice for each parcel of property within the county that he or she owns or is purchasing under a contract for deed.

Property identification number. The property identification number must be shown on the notice.

Property address. The address where the parcel is located is not required, though it may be shown at the county's discretion.

Legal description. The property description shown on the parcel-specific notice should be the current description that applies to the parcel of real or personal property. This is not required but may be shown at the county's discretion.

Steps 1, 2, & 3 Section

The "Steps" part of the box in the upper right corner represents the three documents the taxpayer receives for each parcel. Step 1 is the valuation notice, Step 2 is the proposed taxes notice, and Step 3 is the property tax statement.

Step 1

This step represents the valuation notice the taxpayer received in early 2024. The heading is "VALUES AND CLASSIFICATION." The following items should be shown in two columns, one for the actual taxes payable in 2024, and the other for the proposed taxes payable in 2025.

Property classification. The class of property should be shown in both the 2024 column and the 2025 column. In the case of split classification properties, at least the primary classification should be shown, but others may be shown at the county's discretion. Space limitations will require abbreviations be used.

Homestead status. Each parcel-specific notice prepared for residential property and agricultural property must state whether the property is designated as homestead or nonhomestead. This information may result in a reclassification of property from nonhomestead to homestead. If a taxpayer's notice lists their property as nonhomestead and the taxpayer can provide satisfactory documentation to the county assessor that the property was used as the owner's homestead on Dec. 31 of the levy year of the notice, the taxpayer has until Dec. 31 to file for homestead classification. If satisfactory documentation is provided, the county assessor must reclassify the property to the appropriate homestead classification for taxes payable in the following year. (M.S. 273.124, subd. 9)

Abbreviations. Abbreviations may be difficult for the general public to understand. Please refrain from using abbreviations if the entire classification can be printed in the space provided. If there is not enough space, try using abbreviations in a way that makes their meaning clear and obvious.

Estimated market value. This is the parcel's estimated market value as determined by the assessor, before applying any exclusions, deferrals, or other reductions.

Homestead exclusion. This is the calculated amount of the homestead market value exclusion.

Other exclusions/deferrals exclusion. **THIS FIELD IS OPTIONAL** If a county chooses to display this field on the parcel-specific notice, it should reflect the total of all other exclusions and/or deferrals that a parcel receives.

Taxable market value. Each parcel-specific notice must clearly inform the taxpayers of the years the taxable market values apply to. The taxable market values are used in determining net tax capacity for computing property taxes for the two taxes payable years.

The **payable 2024 and 2025** final taxable market values shown must be the values after calculating any of the following applicable exclusions or deferrals:

1. Homestead market value exclusion
2. Green Acres Law deferment
3. Rural Preserves Law deferment
4. Open Space Law deferment
5. Aggregate Resource Preservation Law deferment
6. Platted vacant law exclusion
7. Exclusions for a homestead of a veteran with a disability
8. Mold damage exclusion

Parcels split or combined since 2024 property tax statements issued. If a parcel has split or combined with another parcel after the 2024 property tax statements were issued, no information is to be shown for 2024. The notice should indicate "N/A," for "not applicable," where 2024 amounts would normally be shown.

Step 2

This area should be highlighted and/or in larger or bolder font to indicate this notice reports the data for Step 2. The heading is "PROPOSED TAX." The proposed tax amount for payable 2025 should be displayed.

Calculating proposed 2025 property taxes for all properties except those properties subject to M. S. 276A.06, subd. 7. The proposed 2025 property tax amounts should be calculated by following the same taxable value, tax rate levy, tax rate, and credit determination procedures used in calculating the final 2024 tax amounts.

For taxes based on net tax capacity:

- Taxable value = total net tax capacity - tax increment retained captured net tax capacity (if applicable) - fiscal disparity final contribution net tax capacity (if applicable) - powerline credit net tax capacity.
- Tax rate levy = certified levy (excluding market value-based referendum taxes) - fiscal disparity distribution tax (if applicable).
- Initial tax rate = tax rate levy divided by the taxing district taxable value.
- Disparity reduction aid rate = disparity reduction aid divided by the unique taxing area taxable value.
- Local tax rate = initial tax rate - disparity reduction aid rate.

For market value-based referendum taxes:

- Referendum tax rate = certified market value-based referendum tax divided by the referendum market value.

Calculating proposed 2025 property taxes for properties subject to Minnesota Statutes, section 276A.06, subdivision 7. Beginning in pay 2025 the proposed 2025 property tax amounts should be calculated by following the below taxable value, tax rate levy, tax rate, and credit determination procedures.

For taxes based on net tax capacity:

- Taxable value = total net tax capacity - tax increment retained captured net tax capacity (if applicable) - powerline credit net tax capacity.
- Tax rate levy = certified levy (excluding market value-based referendum taxes) - fiscal disparity distribution tax (if applicable).
- Initial tax rate = tax rate levy divided by the taxing district taxable value.
- Disparity reduction aid rate = disparity reduction aid divided by the unique taxing area taxable value.
- Local tax rate = initial tax rate - disparity reduction aid rate.

For market value-based referendum taxes:

- Referendum tax rate = certified market value-based referendum tax divided by the referendum market value.

School building bond agricultural credit. This credit must be shown on the parcel-specific notice. The school building bond agricultural credit for qualifying property must be deducted in determining the net tax capacity property taxes for all local taxing jurisdictions for taxes payable in 2024 and 2025.

Agricultural homestead market value credit. This credit must be shown on the parcel-specific notice. The agricultural market value credit for qualifying property must be deducted in determining the net tax capacity property taxes for all local taxing jurisdictions for taxes payable in 2024 and 2025.

Step 3

The HEADING for this step is “PROPERTY TAX STATEMENT.” Underneath the header should read, “Coming in 2025.”

“Proposed Property Taxes and Meetings by Jurisdiction for Your Property” Section

Four columns

The lower part of the notice must have four columns to provide the following information by jurisdiction:

1. Contact Information,
2. Meeting Information,
3. Actual taxes paid in 2024, and
4. Proposed taxes for 2025.

Column 1: Contact Information

Telephone number, website address, and mailing address. The parcel-specific notices must show, for each taxing authority required to hold a public meeting, the telephone number, website address, and mailing address for taxpayer use. A personal phone number or address does NOT need to be provided on the notice of proposed taxes. If a local taxing jurisdiction does not maintain a public phone number, the county auditor will leave the telephone number blank. If a local taxing jurisdiction does not maintain a website, the county auditor will leave the website address blank.

Column 2: Meeting Information

Date, time, and place of public meetings. The parcel-specific notices must show, for each taxing authority required to hold a public meeting, the date, time, and place for the meeting.

Towns and special taxing districts (except for the three metropolitan special taxing districts and fire and emergency medical services districts) are not required to hold truth-in-taxation meetings. For towns, under “Meeting Information” it should read “Budget set at your annual town meeting in March 2024.” Special taxing districts, other than the metropolitan special taxing districts (if applicable), are not listed under “Meeting Information.”

Cities with a population of 500 or less are not required to hold truth-in-taxation meetings. The information shown under “Meeting Information” for a city with a population of 500 or less should read, “No meeting required.”

Columns 3 and 4: Actual 2024 property taxes and Proposed 2025 property taxes

Actual 2024. This column should show the net taxes payable for the county, the city or town, the state, the school district, any required special taxing districts, tax increment, fiscal disparity, fiscal disparities adjustment (if applicable), and the total net taxes that were levied against the parcel for taxes payable in 2024. These amounts should not include special assessments. These amounts should reflect final tax data after abatements and additions. The non-school taxes should be the same as the amounts shown on the 2024 property tax statement that was mailed to the owner of the parcel of property earlier in 2024. However, the net tax of the county, the city or town, and any required special taxing districts should include its share, if any, of the amount of “Non-school voter approved referenda levies” shown on the 2024 property tax statement.

(Where applicable, the state general tax is used to determine credits, but any credits based on the state general tax are allocated to the local net tax capacity-based taxes.)

Proposed 2025. This column should show the net taxes payable for the county, the city or town, the state, the school district, any required special taxing districts, tax increment, fiscal disparity, fiscal disparities adjustment (if applicable), and the total net taxes that would apply to the parcel for taxes payable in 2025, if adopted as their final property tax levies. These amounts include market value-based referendum taxes (based on referendums held prior to Sep. 16) certified by the county board, the city or town, the school district, or any required special taxing districts. These amounts should not include special assessments.

Jurisdictional Content

State general property tax. The proposed state general property tax for 2025 should be determined by the county auditor for each parcel of property subject to this tax. The county auditor applies the preliminary tax rate certified by the Department of Revenue on or before Sep. 30, 2024, to the net tax capacity of the property for state tax purposes.

Contamination tax. For a parcel subject to contamination taxes in 2025, a note must be computer printed in the text area of the notice. The note should state the payable 2025 property taxes shown on the notice do not include the contamination tax resulting from a market value reduction for contamination of the property.

Lake improvement district. If the county levy includes an amount for a lake improvement district as defined under Minnesota Statutes, sections 103B.501 to 103B.581, the amount must be separately stated from the rest of the levy.

Public safety communication system. If the county incurs debt for public safety communication system infrastructure and equipment for use on the statewide, shared public safety radio system, the county may report the levy to pay the principal and interest on the capital improvement bonds or capital notes as a separate line item on the property tax statement. It may also be listed separately on the parcel-specific notice. (M.S. 373.47)

Regional rail authorities. For the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, the tax data for the county must include any levies made by the regional rail authority within the county.

Anoka County. Anoka County may show its levy for funding public safety capital improvements or equipment projects approved by the Anoka County Joint Law Enforcement Council or for paying principal and interest on bonds or notes issued to finance the cost of certain communication system infrastructure and equipment as a separate line item on the parcel-specific notice. This county levy should appear on the notice between the county tax and the city or town tax. (M.S. 383E.21)

Hennepin County (City of Minneapolis). For Hennepin County, the parcel-specific notices prepared for parcels located within the City of Minneapolis must list separately, under the City of Minneapolis, the tax information for Minneapolis Park and Recreation and the remainder of the city tax.

Ramsey County (City of St. Paul). For Ramsey County, the parcel-specific notices prepared for parcels located within the City of St. Paul must list separately, under the City of St. Paul, the tax information for the St. Paul Library Agency and the remainder of city tax.

Ramsey County. The parcel-specific notice prepared for parcels located within Ramsey County may list separately the amount levied by Ramsey County for library purposes.

Fiscal Disparities adjustment. For commercial-industrial properties subject to the areawide tax under M.S. 276A.06, subd. 7, there must be a “fiscal disparities adjustment” line shown. The adjustment must be equal to the total gross tax payable minus the sum of the tax amounts shown for the individual taxing jurisdictions.

TIF and fiscal disparities. Tax increment net taxes and fiscal disparity net taxes, if they exist, should be shown separately from "special taxing districts." Tax increment net taxes and fiscal disparity net taxes are not special taxing district net taxes.

County tax rate differential abatement. For an eligible county that has a pending county economic development tax abatement (county tax rate differential abatement) to one or more eligible parcels of commercial and/or industrial property within the county for the taxes payable year 2025, the proposed tax rates for all affected taxing jurisdictions must be calculated without regard to the potential county tax abatement. The potential value affected by the pending abatement agreement must be included in the tax base of the affected taxing jurisdictions. The proposed property taxes shown for the parcel(s) of commercial and/or industrial property affected by the pending abatement agreement must also be the proposed tax amounts before any potential abatement. (M.S. 375.194)

Economic development tax abatements. The proposed property taxes of a county, city, town, or school district must include the estimated amount of all current year economic development tax abatements granted under Minnesota Statutes, sections 469.1812 to 469.1815. The tax amounts shown on the parcel-specific notice should be before the reduction for any economic development tax abatements that will be granted on the property.

School district tax breakdown. School district net taxes must be broken down to two lines: one line for "Voter-approved levies" and one line for "Other local levies." "Voter-approved levies" means school district taxes approved at referendums for both operating purposes and debt. This includes those referendum levies based on market value and net tax capacity. The commissioner of education certifies levy limits to school districts by Sep. 8 each year (M.S. 126C.48).

The school district tax amounts are to include tax amounts for any cooperative secondary facilities districts that may apply in addition to regular school district taxes. Taxes for cooperative districts are not to be included with special taxing districts.

Special School District No. 1, Minneapolis. If Special School District No. 1, Minneapolis, or the city of Minneapolis, make additional employer contributions to the Teachers Retirement Association in whole or in part by a levy, the levy may be classified as a special taxing district on the parcel-specific notice. (M.S. 354.435)

School district operating referendum. If the school district has certified that it will hold a referendum on a proposed property tax increase (for operating purposes, **not** bonds) at the November general election, a note must be computer printed directly under the school tax amounts. The note must state a referendum is pending and that, if approved by the voters, the school tax amount for 2025 may be higher than the amount shown on the notice. Both examples of the parcel-specific notice show the language to use for this computer printed notification and its location (directly underneath the school district tax amounts). This notification must **not** be preprinted on the parcel-specific notices. (M.S. 126C.17, subd. 9)

Metropolitan special taxing districts. The parcel-specific notices prepared by the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington must show, under special taxing districts, a separate line of combined tax data, labeled "Metro Special Taxing Districts" or "Metro Spec. Tax. Dists." for the following metropolitan special taxing districts: the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District.

Also for the metro counties, the combined net taxes for all other special taxing districts (excluding the taxes for the metropolitan special taxing districts listed above and excluding regional rail authorities) must be shown on a separate line for "Other Special Taxing Districts" or "Other Spec. Tax. Dists."

Fiscal Disparities adjustment percentage change. For properties subject to M.S. 276A.05, subd. 7, the percentage change must be shown for the proposed fiscal disparities adjustment compared to the actual fiscal disparities adjustment for the current year. If the fiscal disparities adjustment for either the current year taxes or the proposed tax amount is a negative number, the percentage change must not be shown.

Total Property Tax percentage change The percentage change must be shown for the total proposed property tax compared to the total actual property tax for the current year. Do not show percentage changes for each taxing authority. The percentage of increase or decrease in the proposed total property tax for all taxing authorities combined should be carried out no further than one decimal place, as shown on the examples of the payable 2025 parcel-specific notice. Any decreases in the overall percentage of decrease should be preceded by the negative sign (-).

Delivery of Parcel-specific Notice by Owners of Rental Housing

Deadline for delivery/posting – Nov. 27, 2024

Owners of rental property (class 4 residential property used as a residence for lease or rental periods of 30 days or more) are required to deliver a copy of their parcel-specific notice to their tenants or post a copy in a conspicuous place on the premises occupied by the tenants. This must be done by Nov. 27, 2024, or within three calendar days of the receipt of the notice from the county, whichever is later. Owners of rental property are allowed to notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the parcel-specific notice should be mailed.

Action Required at Public Meeting

Discuss budget and proposed property tax

The proposed property tax levy for the taxes payable year 2025 and the proposed budget for the taxes payable year 2025, or current school year budget in the case of school districts, must be discussed at the public meeting.

Public comment and questions

The public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions. Robert's Rules of Order may be used to govern the conduct of the meeting.

Allowable "Add-on" Levies

The following levies, by statutory authorization, may be "added on" to the proposed property tax levy of counties, school districts, cities, metropolitan taxing districts, and regional library authorities established under M.S. 134.201. This may result in a final levy that is greater than the proposed levy.

1. **Voter-approved operating or capital expenditure levies.** Levy increases for operating costs or capital expenditures approved by the voters at a referendum held after the proposed levy was certified.
2. **Bond referendums.** The amount of a levy to pay the principal and interest on bonds approved by voters after the proposed levy was certified. This allowance does not apply to bonds issued after the proposed levy was certified if the bonds were issued without voter approval. (M.S. 475.58)
3. **Natural disaster costs.** The amount of a levy to pay the repair and clean-up costs due to a natural disaster that occurred after the proposed levy was certified, if the taxing authority appeals to the commissioner of revenue for the authorization to make this additional levy and receives the commissioner's approval. The commissioner's approval may be in the amount requested or in a lesser amount determined by the commissioner based upon the information submitted in support of the appeal. The commissioner's decision is final.
4. **Tort judgment costs.** The amount of a levy to pay the costs of a tort judgment that became final after the proposed levy was certified, if the taxing authority appeals to the commissioner of revenue for the authorization to make this additional levy and receives the commissioner's approval. The amount requested cannot exceed the lesser of $50,000 or 10 percent of the taxing authority's proposed property tax levy. The commissioner's approval may be in the amount requested or in a lesser amount determined by the commissioner based upon the information submitted in support of the appeal. The commissioner's decision is final.
5. **Non-school levy limitation increase.** The amount of an increase in the levy limitation (for whatever purpose) for a county, city over 2,500 population, or for a metropolitan special taxing district, certified by the commissioner of revenue after the proposed levy was certified.
6. **School district levy limitation increase.** The amount of an increase in a school district levy limitation (for whatever purpose) certified by the commissioner of education after the proposed levy was certified.
7. **School districts; default avoidance.** The amount necessary to pay for a potential default in payments on school district tax anticipation certificates of indebtedness, aid anticipation certificates of indebtedness, or general obligation bonds. (M.S. 126C.55)
8. **Emergency debt certificates.** The amount necessary to pay emergency debt certificates authorized and issued after the proposed levy was certified. (M.S. 475.55)
9. **Unallotment.** The amount necessary to cover the increase of the levy due to unallotments occurring after the proposed levy was certified. See also the information on the next page about authority to recertify levies. (M.S. 275.07, subd. 6)

Certification of Final Property Tax Levy

Deadline for certifying final levy – Dec. 30, 2024

The county board, each school district within the county, each city with a population over 500, each metropolitan special taxing district, and each regional library authority established under M.S. 134.201 must certify its final payable 2025 property tax levy to the county auditor no later than Dec. 30, 2024. Cities with a population of 500 or less, towns, and other special taxing districts must also certify their final payable 2025 property tax levies by this time if the proposed levy certified in September 2024 is not their final levy. No exceptions or extensions will be granted, except as provided below.

Market value taxes certified separately

Market value-based referendum taxes must be certified separately from the final property tax levy of the county, school district, city, town, or special taxing district.

Final property tax levy restriction

The final property tax levy certified by a town or special taxing district (except a metropolitan special taxing district) may be the same as, less than, or greater than its proposed property tax levy. For a county, school district, city, metropolitan special taxing district, and regional library authority established under section 134.201, however, the final property tax levy cannot exceed the proposed property tax levy except as the result of one or more of the allowable "add-on" levies listed above.

Authority to recertify levies

Taxing authorities are allowed to adjust their final levies when late unallotments impact their December aid or credit payment. If a late unallotment occurs, an affected taxing authority is allowed to recertify its final levy by Jan. 15 of the payable year and report the recertified amount to the county auditor within two business days after Jan. 15 of the payable year. The taxing authority is permitted to increase the final levy to exceed the proposed levy in this case. (M.S. 275.07, subd. 6.)

Required Supplemental Information

Minnesota Statutes 275.065, subdivision 3b

The county auditor must include, on or with the proposed taxes notice, the following supplemental information for the county, all cities, and all school districts within the county, listed separately for each:

- Certified levy for the current taxes payable year
- Proposed levy for taxes payable in the following year
- Increase or decrease between these two amounts, expressed as a percentage

This may be printed on the back of the notice or enclosed as a separate sheet with the notice. The samples show how it could be provided on the back of the notice.

This supplemental information must be sent in electronic form or by email if the taxpayer requests an electronic version of the proposed taxes notice.

Certification of Compliance

Deadline to certify compliance to the Department of Revenue – Dec. 30, 2024. *All counties, cities with a population over 500, school districts, the three metro special taxing districts (the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District), fire protection and emergency medical services special taxing districts established under chapter 144F, and regional library authorities established under section 134.201 must complete Form TNT to certify compliance with truth-in-taxation law to the commissioner of revenue.*

The form will be available by mid-November, at https://www.revenue.state.mn.us/truth-taxation. It must be completed by Dec. 30, 2024, the same time the final levy must be certified to the county auditor.

Penalty for Violation of Truth-in-Taxation

Examples of serious TNT violations

A penalty is to be imposed if a county, school district, city over 500 population, metropolitan special taxing district, fire protection and emergency medical services special taxing district established under chapter 144F, or regional library authority established under section 134.201 seriously violates truth-in-taxation. Examples of serious violations are:

- Failure to hold a public meeting
- Failure to hold public meeting at 6:00 p.m. or later (M.S. 275.065, subd. 3, paragraph (c))
- Failure to allow the public to speak at the public meeting
- Failure to complete and submit a compliance form (Form TNT) to the Department of Revenue

Explanation of penalty

The penalty for a serious violation of truth in taxation for payable 2025 is a reduction of the taxing authority's property tax levy for the taxes payable year 2025 to the sum of:

1. The amount of its certified levy for the taxes payable year 2024; and
2. The additional amounts necessary to pay the principal and interest on general obligation bonds of the taxing authority if the bonds were issued before 1989.

For the purpose of this penalty, the taxing authority’s certified levy for the taxes payable year 2025 would be its final payable 2024 certified levy amount.

County auditor's responsibility

If the penalty is imposed, the county auditor must use the sum of the taxing authority's payable 2024 final certified property tax levy and the additional debt service amounts mentioned above when determining the taxing authority's payable 2025 tax rates under M.S. 275.08. If the taxing authority's final certified levy for the taxes payable year 2025 is equal to or less than the sum of its certified levy for the taxes payable year 2024 and its additional debt service amounts mentioned above, no penalty is imposed.

Possible remedial action to avoid penalty

If a county, school district, city with a population over 500, metropolitan special taxing district, fire protection or emergency medical services special taxing district established under M.S. 144F.01, or regional library authority established under M.S. 134.201 inadvertently commits a significant error during the truth-in-taxation process, it may be possible to take some remedial action to avoid the penalty. The Department of Revenue must be contacted immediately if this situation arises. Please email PropTax.Admin@state.mn.us.

City of Blaine
Staff Report

File Number: 2025-51

Agenda Date	Status
March 10, 2025	
In Control	**File Type**
City Council	Workshop Item

New Business -

Agenda Item # 3.4

Proposed Mobile Food Truck Ordinance/Special Event License Amendments

Background

At the January 6, 2025, workshop, staff presented some possible code amendments to both food trucks and special events sections of the code as well as process changes that could address some of the concerns raised in 2024 surrounding food trucks, inspections, and special events. Council asked staff to share the proposed amendments with current registered food truck vendors for their input and return with their feedback for any changes.

Of the almost 80 food truck vendors, staff received feedback from eight vendors who shared their preference that the city not implement licensing or fire inspections due to the increased cost to their businesses. On February 7, staff met with Chris Page, formerly of PJ's Grill Food Truck and active in the Minnesota Food Truck Association, to provide feedback on an alternative that staff is offering for council consideration which could more quickly create a fire inspection/licensing program at a lower cost to the food truck vendors:

- create reciprocity for fire inspections through the Anoka County Fire Protection Council
- create a fire inspection fee structure of $100 that would meet the fire inspection requirement for any city in Anoka County for one year
    - creating a uniform fire inspection fee avoids taking revenue from one city or overburdening another
- inspectors in all cities would utilize the same inspection checklist based on the most current version of the Minnesota State Fire Code and would include confirmation of Department Labor and Industry sticker and electrical inspection
- inspection training would be provided by key personnel in various fire departments to ensure a uniform inspection is used across all cities

- inspections would likely be scheduled across all cities over a six-week period beginning in March or early April and could include some evening hours and possibly some onsite inspections when necessary

If adopted, staff would create a mobile food truck license instead of the current registration. The license fee would vary from city to city, but staff is proposing the fee for Blaine be $50 to review/process the license, which includes either scheduling the fire inspection through Blaine Fire Inspections staff or confirming one has already been conducted by another Anoka County Fire Department's Fire Inspection staff. Similar to the inspection, the license fee would be good for one year and likely run from April 1 March 31 to best fit food truck vendors season.

While he acknowledged there may be some pushback from vendors, Mr. Page felt this would be a good alternative towards a more collaborative partnership with vendors and cities while keeping costs reasonable and helping to ensure safety for events and patrons, which was their priority as well. He said he would share the proposal with members of the Minnesota Food Truck Association and provide staff with any additional feedback that may be helpful, which will be shared at the workshop.

Article XII. MOBILE FOOD TRUCKS

DIVISION 1. GENERALLY

Sec. 22-721. Definitions.
Except as may otherwise be provided or clearly implied by context, all terms shall be given their commonly accepted definitions. For the purpose of this article, the following definitions shall apply unless the context clearly indicates or requires a different meaning.
Mobile food truck means a food or beverage service establishment that is a vehicle mounted unit, either motorized or trailer, and readily movable, without disassembling, for transport to another location.
(Ord. No. 21-2485, 11-15-2021)

Sec. 22-722. Exceptions to definitions.
For the purpose of this article, the term *mobile food truck* shall not apply to:
(1) Vending trucks as defined in ch. 22, art. IX.
(2) Transient merchants as defined in ch. 22, art. VI.
Exemption from these definitions shall not, for the scope of this article, excuse any person from complying with any other applicable statutory provision or requirement provided by another city ordinance.
(Ord. No. 21-2485, 11-15-2021)

Secs. 22-723—22-730. Reserved.

DIVISION 2. LICENSING ~~AND REGISTRATION~~

Sec. 22-731. Licensing ~~and registering~~.

(a) *~~County~~ <u>City</u> license required.* No person shall operate a mobile food truck within the city limits without first having obtained the appropriate license from the ~~county~~ <u>city</u> as it may be amended from time to time~~, if the county issues a license for the activity~~.

(b) ~~*State license required.* When a state license is required, no person shall operate a mobile food truck within the city limits without first having obtained the appropriate license from the State of Minnesota.~~

(c) *~~City registration required~~ <u>License application.</u>* <u>An application for a mobile food truck license shall be made on a form supplied by the city clerk's office and shall request the following information:</u>

(1) ~~The applicant's information.~~ <u>Applicant's name, business name, food truck name, business address, Minnesota tax identification number, description of food being offered, vehicle/trailer license plate(s) number(s), description of vehicle(s)/trailer(s), vehicle insurance company, policy number, and date of insurance coverage.</u>

(2) Proof of any required county or state license.

(3) ~~Signature affidavit acknowledging receipt of applicable city regulations for mobile food trucks.~~ <u>Proof of successful fire inspection report from fire inspection staff within any Anoka County Fire Department.</u>

<u>(4) Additional information as may be necessary.</u>

(d) *Fee.* ~~No fee is required for city registration~~. <u>An annual license fee and fire inspection fee are hereby established and included in the city's fee schedule.</u>

(e) *Duration.* Each city ~~registration~~ <u>license</u> shall be valid through ~~December~~ <u>March</u> 31 of the year in which ~~registration~~ <u>license</u> is provided. ~~Registered mobile food truck operators are only required to register prior to their first event and registration is valid for any subsequent events.~~

(Ord. No. 21-2485, 11-15-2021)

Sec. 22-732. Revocation.

(a) *Generally.* Any registration issued under this division may be suspended or revoked at the discretion of a hearing officer on behalf of the city council for violation of any of the following:

(1) Subsequent knowledge by the city of fraud, misrepresentation, or incorrect statements provided by an applicant on the application form.

(2) Fraud, misrepresentation, or false statements made during the course of the registered activity.

(3) Engaging in any prohibited activity as provided under section 22-743 of this article.

(4) Violation of any other provision of this article.

(b) *Multiple persons under one ~~registration~~ <u>license.</u>* The suspension or revocation of any *~~registration~~ <u>license.</u>* issued for the purpose of authorizing multiple persons to conduct business as mobile food truck operators on behalf of the *~~registered~~ <u>licensed</u>* mobile food truck operator shall serve as a suspension or revocation of each authorized person's authority to conduct business as a mobile food truck operator on behalf of the *~~registrered~~ <u>licensed</u>* mobile food truck operator whose *~~registration~~ <u>license</u>* is suspended or revoked.

(c) *Notice.* Prior to revoking or suspending any *~~registration~~ <u>license</u>* issued under this chapter, the city shall provide a *~~registration~~ <u>license</u>* holder with written notice of the alleged violations and inform the *~~registrered~~ <u>licensed</u>* mobile food truck operator of ~~his or her~~ <u>their</u> right to a hearing on the alleged violation. Notice shall be delivered in person or by mail to the permanent residential address listed on the ~~registration~~ <u>license</u> application, of if no residential address is listed, to the business address provided on the ~~registration~~ <u>license</u> application.

(d) *Hearing.* Upon receiving the notice provided in subsection (c), the ~~registrered~~ <u>licensed</u> mobile food truck operator shall have the right to request a hearing. If no request for a hearing is received by the city clerk within ten days following the service of the notice, the city may proceed with the suspension or revocation. For the purpose of a mailed notice, service shall be considered complete as of the date the notice is placed in the mail. If a hearing is requested within the stated time frame, a hearing shall be scheduled with a hearing officer on behalf of the city council within 20 days from the date of the request for the hearing. Within three regular business days of the hearing, the hearing office, on behalf of the city council, shall notify the licensee of its decision.

(e) *Emergency.* If, in the discretion of the city manager or their designee, imminent harm to the health or safety of the public may occur because of the actions of mobile food truck operation ~~registered~~ licensed under this chapter, the city manager or their designee, on behalf of the city council, may immediately suspend the person's license and provide notice of the right to hold a subsequent hearing as prescribed in subsection (c).

(f) *Appeal.* Any person whose ~~registration~~ license is suspended or revoked under this section shall have the right to appeal that decision in court.

(Ord. No. 21-2485, 11-15-2021)

Sec. 22-733. Registration transferability.

No ~~registration~~ license issued under this article shall be transferred to any person other than the person to whom the ~~registration~~ license was issued.

(Ord. No. 21-2485, 11-15-2021)

Secs. 22-734—22-740. Reserved.

DIVISION 3. REGULATIONS

Sec. 22-741. Allowed activities.

Mobile food trucks are allowed under the following circumstances:

(1) In conjunction with a private party or event located at a city park, provided the renter of the park initiates the request for a food truck.

(2) In conjunction with a city sponsored event located at a city park or other city owned property.

(3) In conjunction with a school sponsored event located on school district owned property.

(4) In conjunction with a private event, on private property, such as a customer appreciation or employee event, grand opening, birthday party, graduation, etc. Consent of the private property owner shall be obtained.

(5) At the National Sports Center in conjunction with an event hosted at the National Sports Center.

(6) At Northtown Mall, as part of a food truck-oriented event.

(7) In conjunction with a special event as defined under ch. 70.

(Ord. No. 21-2485, 11-15-2021)

Sec. 22-742. Prohibited activities.

No mobile food trucks operator shall conduct business in any of the following manner:

(1) Calling attention to his or her business or the items to be sold by means of blowing any horn or whistle, ringing any bell, crying out, or by any other noise, so as to be unreasonably audible within an enclosed structure.

(2) Obstructing the free flow of traffic, either vehicular or pedestrian, on any street, sidewalk, alleyway, or other public right-of-way. Parking of mobile food trucks shall not occur on any public right-of-way, except for events permitted under section 22-741(c) located in a residential zoning district or

events identified in section 22-741(b).
(3) Conducting business in a way as to create a threat to the health, safety, and welfare of any specific individual or the general public.
(4) Conducting business before 7:00 a.m. or after 10:00 p.m.
(5) Failing to provide proof of license, or registration, and identification when requested.
(6) Using the registration of another person.
(7) Alleging false or misleading statements about the products or services being sold, including untrue statements of endorsement. No mobile food trucks operator shall claim to have the endorsement of the city solely based on the city having issued a registration to that person.
(8) Remaining on the property of another when requested to leave.
(9) Otherwise operating their business in any manner that a reasonable person would find obscene, threatening, intimidating or abusive.
(10) No mobile food truck may be parked for storage at a residentially zoned property within the city, except one (1) mobile food truck may be parked for storage if the property is zoned Farm Residential and greater than five (5) acres in size.
(Ord. No. 21-2485, 11-15-2021)

Sec. 22-743. Penalty.
Any individual found in violation of any provision of this article, shall be a guilty of a misdemeanor.
(Ord. No. 21-2485, 11-15-2021)

Sec. 22-744. Severability.
If any provision of this article is found to be invalid for any reason by a court of competent jurisdiction, the validity of the remaining provisions shall not be affected.
(Ord. No. 21-2485, 11-15-2021)

Sec. 22-745. Effective date.
This article becomes effective on the date of its publication, or upon the publication of a summary of the ordinance as provided by Minn. Stat. § 412.191, subd. 4, as it may be amended from time to time, which meets the requirements of Minn. Stat. § 331A.01, subd. 10, as it may be amended from time to time.
(Ord. No. 21-2485, 11-15-2021)

In addition, below are the proposed amendments to the special event ordinance that increases the threshold for a special event, defines the threshold for the number of food trucks allowed without a special event license, and exempts the need for a special event for places of worship.

Special Events
Sec. 70-41. Definitions.
The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:
Special event means an activity planned and constructed by a person, corporation, or organization on public, commercial, regional recreational or industrial zoning or land uses property. For purposes of this article, the term "special events" includes but is not limited to:
(1) Snowmobile races;
(2) Athletic tournaments or events where it is estimated that 1,000 or more people will be in attendance;

(3) Parades/races;
(4) Picnics, weddings, gatherings, or civic celebrations where it is estimated that ~~100~~150 or more people will be in attendance;
(5) Carnivals;
(6) Musical festivals;
(7) Outdoor concerts;
(8) Convoys or processions, excluding funeral processions, of more than 200 vehicles, 25 commercial vehicles, or 100 people;
(9) Gathering in a City park of more than 150 people;
(10) Events outside the customary use of the property;
(11) Events where there are six (6) or more food trucks present.

(Code 1963, § 69.01; Code 1980, § 4-20; Ord. No. 435, 4-3-1975; Ord. No. 13-2264, 6-6-2013; Ord. No. 16-2350, 5-19-2016)
Cross reference(s)—Definitions generally, § 1-2.

Sec. 70-44. Exceptions.
(a) Activity sponsored by a school district or place of worship.
(b) Any other city-sponsored special event or other event at city manager's discretion or their designee.
(c) Events sponsored by a business such as a customer appreciation or employee event, grand opening, etc., where a food truck is present and is the only attraction.

Staff Recommendation

Staff is requesting feedback on the proposed amendments.

Questions for Council

Council is asked to consider possible amendments to the current mobile food truck and special event ordinance.

Attachment List

1. Food Truck Survey - Other Cities
2. Mobile-Food-Prep-Vehicles-Checklist-MSFC-2020
3. DOLI - Electrical Inspection Procedures

Food Truck Survey – February 2025

City	License and/or Inspection
Anoka	Inspect trucks as part of special events permit, prior to day of the event. Use MSFC 2020 state fire marshal's checklist. Arranged for onsite contractor for large food truck festival to complete fire extinguisher annual inspections, hood suppression inspections, and hood cleaning if needed.
Bloomington	Yes - conduct fire inspection - $346 complex menus/$230 simple menus
Brooklyn Park	Yes - conduct fire inspection; $165 full truck/$120 limited truck/$100 prepackaged truck
Burnsville	Yes – no fire inspection, $122/3 years
Champlin	No longer issue licenses as Ramsey County issues licenses; when they issued licenses required a fire inspection – they are aware the County does not conduct fire inspections
Chanhassen	No
Coon Rapids	Yes - no fire inspection but in the process of recommending one; per day $15, per week $45, per year (21 days or fewer) $120, annual trailer $355
Cottage Grove	Yes - conduct fire inspection, $50 or $250/annual license
Crystal	Yes - no fire inspection $40 weekdays/$50 weekends & holidays
Eden Prairie	Permit only for trucks which produce smoke/grease-laden vapors - $25
Fridley	Yes - conduct fire inspection, $100 fee - per code any food truck equipped with appliances that produce smoke or grease-laden vapors must submit to a Fire Safety Inspection performed by the Fire Division, pursuant to the Mobile Food Preparation Vehicles Chapter of the Minnesota State Fire Code
Golden Valley	Require proof of recent electrical inspection per Dept. of Labor - $250 annual fee –waived if they have an MDH / MDA / Hennepin County or other jurisdiction's annual mobile food unit license - $20 for electrical inspection conducted by Minnetonka electrical inspectors

Maple Grove	Yes - retain the right to inspect (self-reporting system); accept a copy of completed inspection record from another metro area fire department; require inspection/test/cleaning reports on the truck for the range hood, fire suppression, and extinguishers; no fee, based on inspection checklist per 2020 Minnesota State Fire Code: 1. A commercial ventilation hood is required if grease-laden vapors are produced. (319.4) 2. Cooking equipment shall be protected by an automatic fire extinguishing system. (319.4.1) 3. A 2A:10BC portable fire extinguisher is required. (319.4.2) 4. Cooking oil tank 120-gallon maximum, "listed", and vented- normal and emergency. (319.6) 5. Propane tank maximum 200 lbs. and "restrained". (319.8.2) 6. Propane piping protected from damage. (319.8.4) 7. "Listed" propane alarm required. (319.8.5) 8. Compressed Natural Gas (CNG) requirements. (319.9) 9. Hood and ducts kept clean of grease. (319.10.1) 10. Fire protection systems maintained operable condition per 901.6. 11. Propane container inspected annually by an approved inspection agency registered with the U.S. 12. A permit is required for mobile food preparation vehicles equipped with appliances that produce smoke or grease-laden vapors. (105.6.30)
Maplewood	Yes - conduct fire inspection, $55/daily or $181 annual
Plymouth	No
Ramsey	Yes - conduct fire inspection $80 for 90 days or $100 for full year
Rogers	Yes – conduct fire inspection, $75
St. Louis Park	Yes - conduct fire inspection only if heating element used in tent; $50
Vadnais Heights	No – registration only – no fire inspection

Request copy of current Food Truck Fire Inspection Form adopted by the Anoka County Fire Chiefs for area-wide use and consideration.

ADD: Mobile food trucks, regardless of operation within the City of Blaine, shall not be stored on any residentially zoned property within the City of Blaine, except for properties zoned Farm Residential and greater than five acres in size, on which no more than one mobile food truck may be stored.

INSPECTION CHECKLIST

Mobile Food Preparation Vehicles

Y = Meets Requirements; N= Does Not Meet Requirements

Y N

EXHAUST HOOD:

- ❑ ❑ Cooking equipment that produces grease-laden vapors is protected by a type I commercial kitchen exhaust hood (MSFC 319.1)
- ❑ ❑ Ventilation system operates at the required rate of air movement (MSFC 607.3.1)
- ❑ ❑ UL 1046 grease filters are installed and clean (MSFC 607.3.1 & 607.3.3)
- ❑ ❑ Exhaust hood inspected and clean, proper tag or label is affixed to the hood (MSFC 607.3.3.3)

FIRE PROTECTION FOR COOKING EQUIPMENT:

- ❑ ❑ Exhaust hood is equipped with a fire suppression system (MSFC 319.4.1 & 904.2.2)
- ❑ ❑ System is free of damage and operable (NFPA 17A)
- ❑ ❑ Manual means of activation present (MSFC 904.3.2)
- ❑ ❑ Automatic means of activation present (MSFC 904.3.2)
- ❑ ❑ Automatic fuel shutoff present (MSFC 904.3.3)
- ❑ ❑ Automatic electrical shutoff present (MSFC 904.3.3)
- ❑ ❑ System discharge nozzles are directed at the proper cooking surface (NFPA 17A)
- ❑ ❑ Protective caps in place on discharge nozzles (NFPA 17A)
- ❑ ❑ System has been inspected and tested within 6 months (MSFC 904.5.1)
- ❑ ❑ Inspection and testing tags/documentation is present (MSFC 904.5)

FIRE EXTINGUISHERS:

- ❑ ❑ Class K fire extinguisher present for cooking fires (MSFC 906.4)
- ❑ ❑ Minimum of one 2A10BC fire extinguisher present for ordinary fires (MSFC 906.3)
- ❑ ❑ Fire extinguishers are mounted in conspicuous locations and unobstructed (MSFC 906.5 & 906.6)
- ❑ ❑ Monthly visual inspection has been performed by vehicle owner (NFPA 10)
- ❑ ❑ Annual inspection has been performed by qualified individual or contractor (NFPA 10)
- ❑ ❑ Inspection tags are to-date and located on fire extinguishers (NFPA 10)

APPLIANCE CONNECTION TO FUEL SUPPLY:

- ❑ ❑ Gas cooking appliances are secured in placed (MSFC 319.5)
- ❑ ❑ Gas appliances are connected to fuel-supply piping with an ANSI Z21.69/CSA 6.16 listed connector (MSFC 319.5)
- ❑ ❑ Movement restraining devices are installed on gas appliances (MSFC 319.5)

Y N

COOKING OIL STORAGE - METALLIC TANKS:

- ❑ ❑ UL 80 or UL 142 listed provided (MSFC 319.7.1)
- ❑ ❑ Installed per manufacturer's instructions (MSFC 319.7.1)
- ❑ ❑ Installed per manufacturer's instructions (MSFC 319.7.1)
- ❑ ❑ Piping, connections, fittings, valves, tubing, hoses, pumps, vents and other related components are suitable for working pressures, temperatures and structural stresses associated with operation (MSFC 319.7.3 & 319.7.4)
- ❑ ❑ Normal and emergency venting installed above the oil tank fill line (MSFC 319.7.5)

COOKING OIL STORAGE– NON METALLIC TANKS:

- ❑ ❑ Capacity does not exceed 200 gallons (MSFC 319.7.2)
- ❑ ❑ Listed for storage of cooking oil (319.7.2)
- ❑ ❑ Piping, connections, fittings, valves, tubing, hoses, pumps, vents and other related components are suitable for working pressures, temperatures and structural stresses associated with operation (MSFC 319.7.3 & 319.7.4)
- ❑ ❑ Normal and emergency venting installed above the oil tank fill line (MSFC 319.7.5)

COOKING OIL STORAGE– INDIVIDUAL CONTAINERS:

- ❑ ❑ Aggregate total of individual containers does not exceed 120 gallons (MSFC 319.6)
- ❑ ❑ stored to prevent toppling or damaged during transport (MSFC 319.6)

LP FUEL FOR COOKING: ❑ N/A

- ❑ ❑ Vehicle is not operating indoors with LP gas onboard (NFPA 58: 9.7.3.6)
- ❑ ❑ LP gas containers are installed either on the outside of the vehicle or in a recess or cabinet vapor-tight to the inside of the vehicle but accessible from and vented to the outside. (NFPA 58: 6.26.3.3)
- ❑ ❑ Cylinders are adequately filled to sustain the duration of the event, and will not need to be filled or exchanged while event is in progress
- ❑ ❑ Maximum aggregate amount of LP gas does not exceed 200 lbs. (MSFC 319.8.1)
- ❑ ❑ LP gas cylinders are securely mounted to the vehicle (MSFC 319.8.2)
- ❑ ❑ Fixed piping system is equipped with two stage regulation (NFPA 58)
- ❑ ❑ Regulator vent outlets are at least 2 in. above the compartment vent opening. (NFPA 58: 6.26.3.3)
- ❑ ❑ LP piping, including valves and fittings, are protected to prevent tampering, impact damage, and damage from vibration (319.8.4)

❑ ❑ Shutoff valves on all gas cylinders are readily accessible (NFPA 58: 6.26.4.1)
❑ ❑ Gas-fired heating appliances and water heaters are equipped with automatic shut off devices that will shut off the flow of gas to the main burner and the pilot in the event the pilot flame is extinguished. (NFPA 58: 6.26.7.11)
❑ ❑ Regulators are installed per Section 6.26.4.2 (A) through (E) of NFPA 58
❑ ❑ Piping is installed per Section 6.26.5.1 (A) through (M) of NFPA 58
❑ ❑ Cylinders are stamped with approval and testing information (NFPA 58: 5.2.1.1)
❑ ❑ Fuel system is leak free (NFPA 58: 6.16)
❑ ❑ Full system leak testing documents available for system piping and appliance connections (NFPA 58: 6.26.5.1)
❑ ❑ LP Valves are shut-off when appliances are not in use (NFPA 58: 6.26.8.3)
❑ ❑ A permanent caution plate is affixed to either the appliance or the vehicle and includes the following NFPA 58: 6.26.7.10 instructions:

> ***Caution:***
> *1. Be sure all appliance valves are closed before opening LPG container valve.*
> *2. Connections at the appliances, regulators, and containers shall be checked periodically for leaks with soapy water or its equivalent.*
> *3. Never Use a match or flame to check for leaks. 4. Container valves shall be closed when equipment is not in use.*

❑ ❑ Listed LP Gas alarm is present (MSFC 319.8.5)
❑ ❑ Fuel gas piping has been inspected, tagged / labeled by an approved agency within 1 year (MSFC 319.10.3)
❑ ❑ LP containers have been inspected, tagged / labeled by an approved agency within 1 year (MSFC 319.10.3)

CNG FUEL FOR COOKING: ☐ N/A

❑ ❑ CNG is used for cooking fuel only. See NFPA 52 for vehicles using CNG for both transportation and cooking fuel
❑ ❑ Maximum aggregate capacity of CNG cylinders is 1,400 lbs. or less (MSFC 319.9.1.1)
❑ ❑ CNG is stored in a NGV-2 type cylinder (MSFC 319.1.2)
❑ ❑ CNG gas cylinders are securely mounted to the vehicle in a location that prevents direct vehicle impact (MSFC 319.8.2)
❑ ❑ CNG piping, including valves and fittings, are protected to prevent tampering, impact damage, and damage from vibration (319.9.3.4)
❑ ❑ Listed methane gas alarm is installed (MSFC 319.9.4)
❑ ❑ Fuel gas piping has been inspected, tagged / labeled by an approved agency within 1 year (MSFC 319.10.3)
❑ ❑ CNG containers have been inspected, tagged / labeled by a qualified service facility within 3 years (MSFC 319.10.3)
❑ ❑ CNG containers are not expired (date listed on label) (MSFC 319.10.3)

GENERAL SAFETY:

❑ ❑ Area is free from excessive trash and other combustible materials-egress (MSFC 304.1.1)
❑ ❑ Combustible materials are maintained in an approved manner and located away from ignition sources (MSFC 305.1)
❑ ❑ Appliances shall be located so that a fire at any appliance will not block egress of persons from the vehicle. (NFPA 58: 6.26.7.7)
❑ ❑ Appliances must be constructed or protected to minimize possible damage or impaired operation due to cargo shifting or handling (NFPA 58: 6.26.7.8)
❑ ❑ Generators do not present a hazard to the public (MSFC 313.1.1)
❑ ❑ Generator is adequately fueled to sustain the duration of the event, and will not need to be filled while event is in progress (MSFC 313.1.1)
❑ ❑ Parked vehicle does not obstruct the fire apparatus access road in any manner (MSFC 503.4)
❑ ❑ Unobstructed access to fire hydrants is provided (MSFC 507.5.4)
❑ ❑ Power taps and multiplug adapters comply with NFPA 70 / NEC (MSFC 604.4 & NEC 400.10)
❑ ❑ Flexible extension cords are listed/ labeled, free from damage, and located away from public areas (MSFC 604.5)

APPLICABILITY & RETROACTIVITY:

Mobile Food Preparation Vehicles are motor powered and non-motor powered vehicles including, but not limited to trucks and trailers with equipment that produces grease laden vapors during cooking.

- *Minnesota Fire Code Section 319 requirements are intended to apply to new and existing Mobile Food Preparation Vehicles.*

- *NFPA 58 requirements only apply to installations where one of the following occurs:*
  - *Installation or modification occurred on or after to March 31st 2020*
  - *Where retroactivity is specifically stated in the NFPA 58 provisions*
  - *In cases where the AHJ determines an existing installation or operation is a hazard to life and/or property (NFPA 58 Section 1.4)*

CODE SUMMARY

Version 3.0 effective March 31, 2020
This checklist is intended as a guide to assist fire inspection personnel in identifying general fire and life safety hazards, other possible code requirements may apply. Please refer to other checklists for information on certain occupancies/topics.
MSFC = Minnesota State Fire Code

DEPARTMENT OF
LABOR AND INDUSTRY

Electrical Inspection Procedures for Food Trucks

And other Mobile Food Units such as concession trailers, concession stands or similar units

Frequently Asked Questions

1. *What is the responsibility of the Department of Labor & Industry?*

The Department has the responsibility for inspection of all electrical wiring and equipment for transient events such as carnivals, circuses, inflatable amusements, festivals, film and TV production sites and road construction projects. Large portable generators and power distribution must be inspected at each setup. Each ride, concession, food truck, mobile food unit or similar unit must be inspected at or before its initial operation each year. Equipment must be in compliance before it is energized and put into use.

2. *What is the responsibility of the food truck or mobile food unit operator?*

Unlike carnivals, county fairs, circuses and other large transitory operations which are setup in one location for a set period of time, and where electrical inspectors may be present for one or more days, food trucks, concession trailers and similar mobile food units often operate individually and move from location to location, maybe multiple times a day. It is the operator's responsibility to arrange for the electrical inspection of the food truck or mobile food unit; electrical inspectors do not patrol the state looking for food trucks or mobile food units.

3. *Is inspection of equipment necessary before the unit can be energized or used?*

In the interest of public safety, electrical equipment and wiring must not be energized until it has been inspected and approved.

4. *Does the Department of Labor & Industry perform electrical inspections in all areas of the state?*

The Department is the electrical inspection authority statewide, except for certain cities that have made provisions for electrical inspections within their jurisdiction. A list of all electrical inspectors and contact information is available at the Department's website http://www.dli.mn.gov/business/electrical-contractors/electrical-inspector-directories

5. *How do I request an electrical inspection?*

The request for electrical inspection form is provided by the electrical inspector. The request for inspection form is completed and the appropriate inspection fee is collected at the time of the inspection. Fees must be paid in cash or check; sorry, no credit cards.

6. *Do I need an inspection every year?*

Yes. An initial inspection is required at or before the first setup each year. The electrical inspection is valid for the entire calendar year. However, at any time, electrical inspection authorities reserve the right to require corrections of identified or observed hazardous or damaged electrical wiring and equipment, to issue written inspection reports, and to reinspect the electrical wiring and equipment. Reinspection fees may be applicable if warranted.

7. *Can the electrical inspection be requested and made before the first appearance of the year?*

Yes, inspections of food trucks, concession trailers, mobile food units or similar units can be arranged in advance any time of year by contacting the Department. Inspections can be performed at any mutually agreeable time and location.

443 Lafayette Road N., St. Paul, MN 55155 • (651) 284-5005 • www.dli.mn.gov

8. What if the initial electrical inspection identifies code violations?

Identified code violations are documented on an inspection report form and a copy is provided to the user of the equipment. Equipment must be in compliance and reinspected before it is energized and put into use.

9. Are there restrictions about who can perform electrical work?

Yes. In the interest of public safety, electrical work in strictly regulated in Minnesota. All on-site electrical wiring including installation, repair and correction of code violations must be performed by Minnesota-licensed electrical contractors and their licensed or registered employees. Equipment owners are not allowed to perform any electrical wiring once the equipment is on-site. Persons other than licensed employees of electrical contractors are strictly limited to plugging and unplugging portable electrical equipment, fitted with a proper flexible cord and attachment plug, into receptacle outlet of the proper power rating.

10. How is the equipment marked to indicate that it has passed inspection?

When equipment is in compliance, an inspection sticker is placed on the equipment with the date of the inspection and the inspection number. This sticker also has an identification number that is specific to each mobile food unit. The owner's copy of the inspection form is another record of compliance, which should be kept with the equipment for the remainder of the year.

11. How much does an electrical inspection cost?

Inspection fees are very reasonable and economical. The standard inspection fee for each food truck, mobile food unit, concession, attraction or similar unit is:

Up to and including 60 amperes	**$35**
Over 60 amperes	**$40**

Inspection fees must be paid by check or cash

Credit cards are not accepted

In addition to the above fees, inspections made on Saturdays, Sundays, holidays, or after regular business hours may be charged at the $80 hourly rate with a one-hour minimum charge. If reinspection of corrections is necessary, there may be a $35 charge for each reinspection. If mutually agreeable between the electrical inspector and the equipment owner, the $80 hourly rate can be used as a favorable alternative where multiple units at one location can all be inspected at the same time. This alternative option might be more cost effective to use when compared to the individual unit rate of $35.

Electrical Wiring

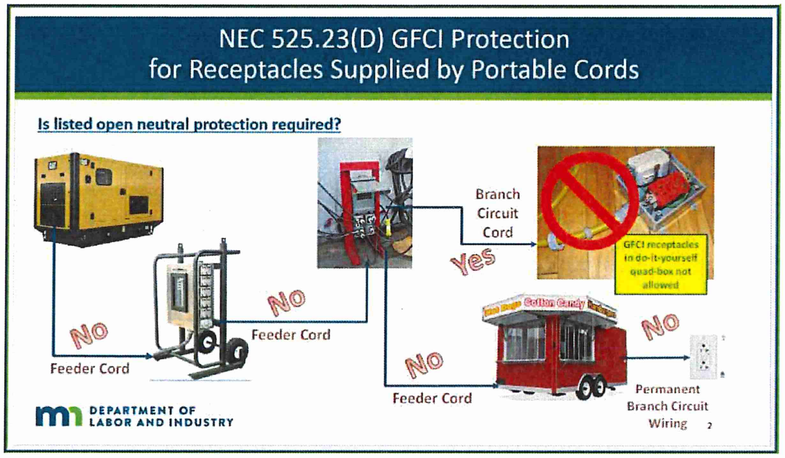
Installations of electrical wiring and equipment must meet the provisions of the most recently adopted edition of the National Electrical Code. All documented code violations must be corrected by properly licensed persons and inspected for compliance.

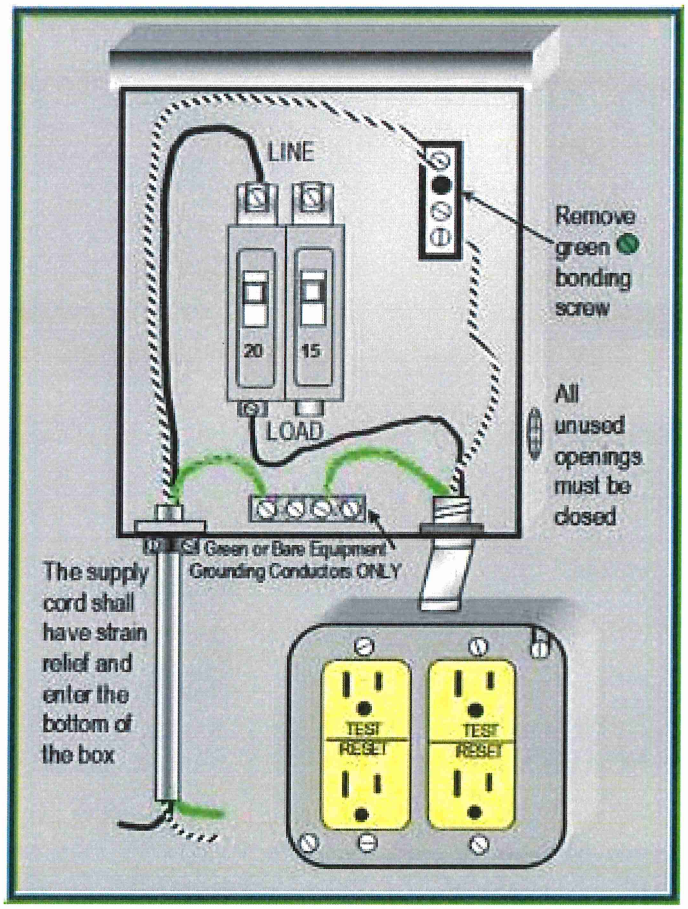
CAUTION: THIS INFORMATION IS NOT INTENDED TO BE YOUR ONLY ELECTRICAL INFORMATION RESOURCE. ADDITIONAL INFORMATION AND KNOWLEDGE ARE NECESSARY FOR AN ELECTRICAL INSTALLATION THAT COMPLIES WITH THE NATIONAL ELECTRICAL CODE (NEC) AND IS FREE FROM FIRE AND ELECTRIC SHOCK HAZARDS.

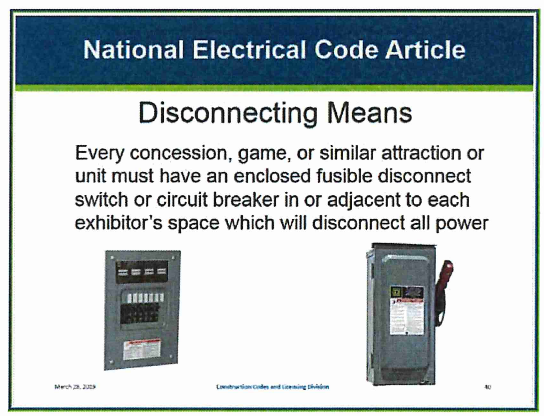
Link to the current directory of state and local electrical inspectors, and electrical area representatives:
http://www.dli.mn.gov/business/electrical-contractors/electrical-inspector-directories

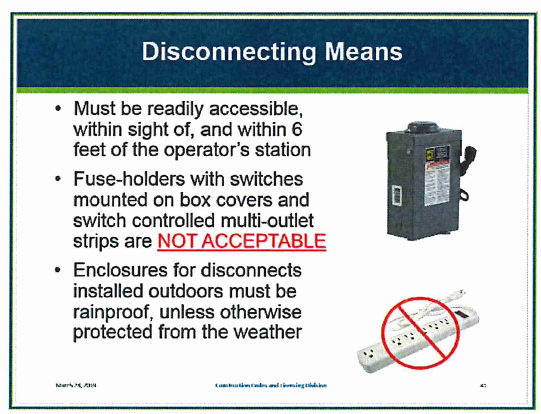
Link to the Laws and Rules Regulating Licensing of Electricians and Inspection of Electrical Installations:
https://www.revisor.mn.gov/statutes/?id=326B&format=pdf

Examples of temporary portable electrical distribution equipment









City of Blaine
Staff Report

File Number: 2025-52

Agenda Date	Status
March 10, 2025	
In Control	**File Type**
City Council	Workshop Item

New Business - Sheila Sellman, Assistant Community Development Director

Agenda Item # 3.5

National Sports Village Signage Discussion

Background

History of 105th Redevelopment District

The 105th Avenue/Radisson Road industrial area was, and has been, identified in the 2030 and 2040 Comprehensive Plans as a priority redevelopment area. It has also been identified as one of the four priority areas by the City Council through the visioning process that occurred in early 2021, and in the "Growth Management" portion of the City's 2020-2023 strategic plan. This project is also identified in the City's 2023-2026 Plan in the Economic Development priority. Based on direction from the City Council, the City embarked on a visioning/design process for this area to assist in future marketing and development efforts.

In 2022, the City created a new zoning district and rezoned this area to 105th Avenue Redevelopment District, amending the land use to Planned Commercial (PC) and select parcels to High Density Residential (HDR). Changes to zoning and land use incorporated portions of the Minnesota Amateur Sports Commission (MASC)/National Sports Center (NSC) property and Metropolitan Airports Commission (MAC) property that were identified in the visioning process.

In 2023, a master developer was selected for the 105h Redevelopment Area. In 2023, the City, MASC and developer entered into various agreements that allow for private development to occur on the east portion of the NSC campus. Based on the revised master plan, a larger portion of MASC property will be incorporated into the redevelopment project than was originally anticipated when zoning and land use changes were approved in 2022.

The intent of the 105th redevelopment district is to promote development and redevelopment consistent with the master plan for the 105th Avenue Redevelopment Area by encouraging residential uses in conjunction with commercial and expanded recreational activities to create an entertainment district. To create greater flexibility in land uses, and at the same time protect the interest of surrounding properties in the following ways:

(a) By promoting a planned environment for integrated commercial uses which feature design continuity. A development shall reflect a common theme using compatible architectural design and consistency in signage, landscaping and lighting.
(b) By encouraging a more creative approach in development, that will result in quality living environments through innovative design and aesthetic controls.
(c) By providing for mixed-use development(s) that are carefully planned to promote efficient use of land, parking, and open space.
(d) By providing enhanced oversight through site plan approvals to ensure compatibility of mixed uses and consistency with the approved master plan.
(e) By encouraging pedestrian access.
(f) By allowing flexibility in setback and height restrictions.
(g) By ensuring high standards of site design, architectural design, building materials and landscape design are achieved through design guidelines and approvals.
(h) By providing the means for greater creativity and flexibility in environmental design than is provided under the strict application of the Blaine Zoning Ordinance and Subdivision Ordinance, while, at the same time, preserving the health, safety, order, convenience, prosperity, and general welfare of the City of Blaine.

History of the Subject Site

The subject site received site plan approval on April 3, 2023, for two buildings on one lot. Building one has been approved for a 9,100-square-foot Pizza Pub Prime with a 3,000-square-foot rooftop patio and a 1,000-square-foot ground patio. Building two has been approved for a 20,000-square-foot mixed-use building with outdoor patios. Scooters Coffee occupies the southern tenant space.

On May 1, 2023, the subject site received a conditional use permit for two buildings on one lot, outdoor dining, and shared parking and preliminary plat to create two lots. The final plat was approved on June 20, 2023.

On August 7, 2023, an ordinance amendment was approved for the 105th Redevelopment District to allow drive-thru's on the south side of 105th Avenue as a conditional use permit.

On September 6, 2023, a sign plan was approved and a CUP for a drive-thru on the southern portion of building two was approved.

On September 4, 2024, an ordinance amendment was approved for the 105th Redevelopment District to define cigar lounges and added cigar lounges as a permitted use (this applies to the entire district).

In July 2024, a permit was issued for the Scooters Coffee menu board; No signage was shown on the approved plan. There is currently a Scooter's sign (logo with name) on the back side of the menu board. This signage was not approved nor is it part of the sign plan. If the applicant would like to allow this signage, it must be part of the sign plan and a sign permit is required.

In October 2024, a temporary sign permit was issued for Scooters. The permit allowed 10 weeks of signage with an expiration date of December 25, 2024. The permit exclusively allows 3 freestanding signs that must be located on their property and meet the required 10-foot setback from property lines. Since this sign permit was issued, staff has observed an off-premise sign that is not permitted. As of the date of writing this report, the temporary sign permit has expired and the signs are still up, which is a violation of the sign code.

In January 2025, an ordinance amendment was approved that increased wall signage to 200 square feet per building south of 105th Avenue and allowed for a third wall sign.

At the next meeting, a motion was made to reconsider the request, but failed. Since that meeting, staff and Council have received numerous emails from the landlord, Scooters owners and residents about the need for additional signage. The landlord recently emailed the Council about LOIs regarding potential new tenants. The landlord could apply for another code amendment for additional signage based on the new information. However, staff felt it was appropriate to have a workshop discussion on the issues that exist and council could provide feedback to the landlord and tenants about signage allotment for the property.

Signage

In January, the applicant applied for an ordinance amendment to increase signage. The request was to increase wall signage from 150 square feet to 300 square feet of total building signage and an additional wall sign. In addition, increasing the monument signage from 15 square feet to 45 square feet. The Council approved an ordinance amendment to allow for more signage on the south side of 105th Avenue, which increased the maximum building signage to 200 square feet and allowed for an additional wall sign per building. The council did not increase the monument signage.

The original ordinance allowed total building signage to have an aggregate area not exceeding one square foot for each foot of building face parallel or substantially parallel to a street lot line with a maximum of 150 square feet for total building signage. Two signs per business that must be one wall sign and either a three-dimensional sign, projecting sign, or awning sign with a maximum of 150 square feet per building. Freestanding signage is limited to one monument sign 15 square feet in area, which is intended to be a development identification sign, and not the typical monument signage used to identify businesses. The monument sign language did not change with the ordinance amendment, only the total building signage and only south of 105th Avenue.

As stated in the intent for this zoning district, this area shall reflect a common theme using compatible architectural design and consistency in signage. Encourages a more creative approach in development that will result in quality living environments through innovative design and aesthetic controls. Ensuring high standards of site design, architectural design, building materials and landscape design are achieved through design guidelines and approval. When contemplating changes to the district, council should consider that this district is designed to stand apart from other commercial areas, featuring more stringent design guidelines that foster a higher standard of development.

Attached are signage scenarios for the subject site, outlining what is currently permitted under the approved ordinance amendment, as well as what would be allowed if the property were located in a different zoning district. Should the Council consider rezoning the property, staff recommends reviewing the Planned Business District as a potential option.

Staff Recommendation

Questions for Council

1) Do you want to amend the ordinance again to allow more signage?
2) Do you want to rezone the subject site out of the 105th Redevelopment District?

Attachment List

1. Comparison

Pizza Pub Prime	105^{th} RD	Planned Business District
Code	2 signs per business one wall and one projecting/awning with one additional sign per building if part of sign plan. Maximum 200 square feet aggregate area no exceeding 1 sqft for eat foot of building facing a street*	3 walls signs: 1 above the main door, 1 on the north side (105^{th}) and 1 on the east side (Radisson) can't exceed 10% of area of the building wall to which signs are affixed or 200 square feet whichever is less**
West Elevation (not technically facing a street)	Per sign plan 75 SF	Limited to 200 SF
North Elevation	Per sign plan 50 SF	Limited to 180 SF
East Elevation	Per sign plan 75 SF	Limited to 200 SF

*_The two allowed signs must be one wall sign and either a three-dimensional sign, projecting sign or awning sign. One additional wall sign per building may be approved through the sign plan.

a) All signs shall adhere to the following design standards:
(1) Use simple sign shapes to complement the architecture of the building.
(2) Signs shall not obscure architectural features of buildings, including window or door openings.
(3) Sign shall be used to display the primary name of the business only.
(4) Use only one line of lettering, if possible.
(5) Only one sign containing the business name or graphic logo shall be permitted per street facing side. Projecting signs are allowed in addition to the one sign allowed facing the street. Use simple, bold lettering with sufficient contrast between the lettering and the background.

c Wall signs. Wall signs shall meet the following requirements:
(1) The total building signage may have an aggregate area not exceeding one square foot for each foot of building face parallel or substantially parallel to a street lot line with a maximum of 200 square feet.
(2) It must not project more than 12 inches from the wall to which the sign is affixed.

** Single tenant buildings. There shall not be more than one (1) wall sign for each principal building except that where the building abuts two (2) or more streets, one (1) oriented to each abutting street, shall be permitted, provided that the design of which is approved by the Zoning Administrator. The gross surface area of a wall sign shall not exceed ten percent (10%) of the area of the building wall, including doors and windows, to which the sign is to be affixed or two hundred (200) square feet, whichever is smaller.

Multi-Tenant Building	105th RD	Planned Business District
Code	2 signs per business one wall and one projecting/awning with one additional sign per building if part of sign plan. Maximum 200 square feet aggregate area no exceeding 1 sqft for eat foot of building facing a street*	Each tenant is allowed wall signs that cannot exceed 10% of their tenant wall space. Each tenant would be allowed one entrance sign (on the west side) and one wall sign on the east side of the building along Radisson Rd.
Tenant A	Per sign plan 18.75 SF per elevation (37.5 if anchor)	166.5 SF east and west
Tenant B	Per sign plan 18.75 SF per elevation (37.5 if anchor)	55.5 SF east and west
Tenant C	Per sign plan 18.75 SF per elevation (37.5 if anchor)	59.2 SF east and west
Tenant D	Per sign plan 18.75 SF per elevation (37.5 if anchor)	59.2 SF east and west
Tenant E	Per sign plan 18.75 SF per elevation (37.5 if anchor)	118 SF east and west
Tenant F	Per sign plan 18.75 SF per elevation (37.5 if anchor)	92.5 SF east and west
Tenant G (Scooters)	Per sign plan 18.75 SF per elevation (37.5 if anchor) one awning sign on south side	70 SF east and west – not over drive-thru

Tenant spaces are based off building plans and have and will change, this is for demonstration purposes.

*_The two allowed signs must be one wall sign and either a three-dimensional sign, projecting sign or awning sign. One additional wall sign per building may be approved through the sign plan.

a) All signs shall adhere to the following design standards:
   (1) Use simple sign shapes to complement the architecture of the building.
   (2) Signs shall not obscure architectural features of buildings, including window or door openings.
   (3) Sign shall be used to display the primary name of the business only.
   (4) Use only one line of lettering, if possible.
   (5) Only one sign containing the business name or graphic logo shall be permitted per street

facing side. Projecting signs are allowed in addition to the one sign allowed facing the street. Use simple, bold lettering with sufficient contrast between the lettering and the background.

c Wall signs. Wall signs shall meet the following requirements:
(1) The total building signage may have an aggregate area not exceeding one square foot for each foot of building face parallel or substantially parallel to a street lot line with a maximum of 200 square feet.
(2) It must not project more than 12 inches from the wall to which the sign is affixed.

Sign plan approves allocation, sign type and size per the landlord/building owner