City of Blaine
City Council Workshop

June 23, 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. 2025-305 2026 Internal Service Funds Budgets
Sponsors: Jason Zimmerman, Finance Director

4. Other Business

5. Adjournment

City of Blaine
Staff Report
File Number: 2025-305

Agenda Date	Status
June 23, 2025	
In Control	**File Type**
City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.1

2026 Internal Service Funds Budgets

Executive Summary

Background

Self-Insurance Fund

The City's Self-Insurance Fund was created in 1993 to account for the program's coverage and to collect charges from other funds to pay for the City's auto, property, and liability insurance premiums and deductibles. The Self-Insurance Fund is categorized as an Internal Service Charge, which is intended to account for activity that benefits other funds. Revenues are provided by internal charges to those benefiting funds. While the City generally makes disbursements for the full amount of the claim, once processed and if eligible, the insurance provider reimburses the City for the expenditures above the insurance deductible. This process can cross fiscal years, resulting in skewed reporting periods.

The City's policy calls for a deductible of $100,000 per occurrence and $200,000 in aggregate per year, with a $1,000 maintenance deductible after the aggregate is met. Coverage for land use litigation costs is based on a sliding scale with a 15 percent copay on the first $250,000 of expenses and 40 percent on amounts above $250,000. The policy coverage is from July to June annually.

At the end of 2022, the Self-Insurance Fund reported a negative cash position of just under $20,000 as expenditures outpaced revenues by over $400,000; which included the cost of new equipment replacement. The Fund also reported over $450,000 worth of pending claims (incurred but not reported or IBNR), as required per accounting standards, which were unpaid and may not ever materialize. On June 3, 2024, Council approved a transfer of $650,000 of General Fund reserves to the Self Insurance Fund, retroactive to 2023, to address the funding shortfall.

Although preliminary 2024 actual costs outpaced operational funding, other entries, including $160,000 from Homeland Security and Emergency Management for the June 11, 2017, hail storm, helped improve the overall fund balance. The ending IBNR balance was at $367,000, which was a reduction of approximately $75,000 from the prior year's end.

The 2024 and 2025 budgets included nearly $500,000 of total funding increases to better align with the actual costs of the City's property, casualty, liability, and auto policies - nearly doubling the 2023 allocations. With the 2025/2026 policy not yet established, staff have taken a conservative estimate for the 2026 budget to protect the self-insurance fund and prepare it to absorb potential rate increases associated with the City's policy and incorporate fiscal capacity to absorb a portion of the annual deductible. As discussed during the 2025 budget-setting process, building an appropriate annual funding source for all costs associated with this insurance program, as well as a reserve to protect the City from unanticipated rate changes, will take several years to phase in. Consistent with prior periods, the 2026 budget does not provide funding for the cost of new vehicle replacement, which occurs when an older piece of equipment is salvaged, and a new vehicle is purchased in its place. The City is responsible for the difference between the residual value of the damaged vehicle, as determined by the insurance agent, and the actual cost of a replacement. Further discussion around this practice and funding may be necessary.

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Internal Charges (Funding)	$450,850	$450,850	$450,850	$450,850	$450,850	$450,850	$683,550	$1,000,000	$1,190,000
Premiums	$436,011	$462,702	$566,390	$560,608	$571,702	$615,437	$703,150	$1,000,000	$1,060,000

Workers' Compensation Fund

The City's Workers' Compensation Fund was created in 2012 to account for the program's coverage and collect premiums from other funds based on actual wages. Through the payroll process, wages are multiplied by the appropriate class rate, then deposited into the Workers' Compensation Fund. The policy coverage is from July to June annually.

Prior to the 2024-2025 policy year, the City had chosen to participate in a retrospective rating option, which is an alternate method of determining a city's premium charge. The City's final premium under this option reflects the City's own actual loss experience for the year. With good experience, this option can save the City money in the long run. Of course, the City is also subject to possible premium increases if it experiences a lot of injuries or a single big loss. The City pays a deposit premium (net of discounts) to the League of Minnesota Cities Insurance Trust (LMCIT) at the beginning of the agreement period. At the end of the agreement year, an audit determines the actual payroll for the period and the resulting net actual premium.

When a retrospective rating option is selected, the final premium is not known until all claim activity from that agreement period ceases permanently, which generally means the claim window remains open for 15 years. The final premium reflects the City's own losses and is subject to minimum and maximum limits. The premium amounts are estimated at the beginning of the agreement period and provided to the City prior to the election of an option. The minimum and maximum premiums are adjusted after the payroll audit is complete, and it reflects the net actual premium for the period.

The final premium equals the minimum premium plus actual incurred losses and loss-related expenses, including assessments due to the State Special Compensation Fund. Unlike typical retrospective plans offered by private insurers, LMCIT's retrospective rating formula doesn't use a "loss conversion factor."

At the end of 2022, the Workers' Compensation Fund reported a negative cash position of just over $1.80 million. On June 20, 2023, the Council approved a transfer of $1.85 million of General Fund reserves to the Workers' Compensation Fund to offset this deficiency (this funding source was amended by the City Council on June 3, 2024, to be split between the General Fund and the Strategic Priorities Fund, while the total funding was unchanged).

While the transfer eliminated the existing deficit cash balance and the workers' compensation premium audit resulted in a refund for 2023, the budget didn't account for changes in the insurance rate factor or properly project employee wages. The 2023 year-end Workers' Compensation Fund resulted in a negative cash position of approximately $30,000.

While the City would like the option to continue with this retrospective option, for the 2024-2025 coverage period, the City elected to convert the policy to a traditional plan. This decision was made to provide greater cost certainty, build reserves to absorb changes in the programs' performance, and reevaluate the City's workers' compensation strategy. Under the terms of the traditional policy, the City has a $1,358,794 premium and $10,000 per occurrence deductible for the 2024-2025 plan year. These premiums are based on estimated payroll data provided by the City to the League of Minnesota Cities Insurance Trust. Actual payroll data is audited annually upon the conclusion of the plan year. The 2023-2024 audit was completed in August 2024 and the premium adjustment was a charge of $49,338 as the audited actual payroll exceeded the estimate provided at the time of policy renewal. Actual payroll can vary from estimates due to changes in union agreements, non-union compensation plans, position vacancies, part-time staffing, and overtime utilization. Additionally, the policy runs from June-July as opposed to the fiscal calendar of January-December, which can impact the estimation process. This annual premium adjustment is separate from the retrospective premium billing resulting from the retrospective premium option.

In February 2025, Blaine received its premium analysis, which resulted in a retrospective premium refund of $493,295. As a reminder, this adjustment is a reflection of the previous 15 years of claims measured against previously paid premiums and retrospective adjustments compared to actuarial expectations of outstanding claims. The table below shows the annual retrospective rebate/(billing) for the last nine years. The City's insurance consultant has advised that most municipalities with populations similar to Blaine that have an effective and proactive workers' compensation program monetarily benefit from the retrospective premium option over the long term, but given the volatility of the retrospective premium, significant reserves are necessary to absorb the fluctuation of costs.

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Amount	($169,488)	$95,955	($14,866)	$116,765	($904,280)	($17,117)	$194,515	$510,635	($281,825)	$493,295

Similar to the City's Self-Insurance program, the 2025-2026 policy for Workers' Compensation has not been finalized, and premium costs are not currently available. The 2026 budget as drafted provides coverage for anticipated annual premiums and deductibles, as well as funds to assist with retrospective and annual adjustments.

Compensated Absences Fund

The Compensated Absences Fund was established in 1991 to account for unused sick and vacation balances as outlined in the City's personnel policies. This cash value may only be realized upon an employee's retirement or separation from employment with the City. While this is traditionally recorded as a long-term liability, payments are made as individual employment discontinues.

Traditionally, when an employee terminates employment, the department the employee was in would be responsible for funding the severance payment. This exercise can be difficult for organizations to manage as positions are either left vacant for a period to allow the budget to absorb the lump sum severance payment or risk going over budget by hiring a replacement in a timely manner. The funding process Blaine has in place allows departments to fill positions quickly with minimal disruption to City operations.

An employee leaving the City of Blaine in good standing after giving proper notice of such termination of employment shall be compensated one hundred percent of accrued and unused vacation leave. Additionally, for individuals in good standing, termination pay shall be as follows:

- Thirty-three and one-third percent of unused accumulated sick leave shall be paid after five years of continuous employment.
- Forty percent of unused accumulated sick leave shall be paid after 10 years of continuous employment.
- Fifty percent of unused accumulated sick leave shall be paid after 15 years of continuous employment.

The table below outlines the annual internal service charges collected and the severance payouts made. From 2020-2024, only one year resulted in more revenue than disbursements, with an overall funding shortfall of approximately $450,000 during this time span. The cash balance in the Compensated Absences Fund was approximately $1,250,000 for year-end 2024. For the fund to remain viable, additional funding will need to be considered in future budgets.

	2018 Actual	2019 Acutal	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Internal Charges (Funding)	$140,657	$150,662	$156,230	$155,216	$156,336	$155,439	$161,000	$161,000	$191,000
Post-Employment Payouts	$164,331	$245,190	$142,529	$237,288	$231,467	$294,199	$270,905	$288,750	$303,188

When analyzing the expenditures in the fund, it's important to note that those figures will not align with this table. As a full accrual fund, and as required by the Governmental Accounting Standards Board Statement No. 101, annually the City records the change needed to recognize the severance entitled to staff should all employees terminate employment on December 31 – which isn't a cash transaction, and carries the full amount on its balance sheet. Further conversations may be necessary during the budgeting process to determine the proper funding level.

Facilities Fund
In 2019, as part of the City's efforts to stabilize its general levy and provide a mechanism for ensuring long-term funding for facility improvements, the City Council authorized the creation of an internal service fund to account for facilities management. Internal service funds are used to account for the financing of goods and services provided by one department or activity to other departments or activities of the government on a cost reimbursement basis. To fund the City's facilities, charges are assessed to each department based on the square footage used by each operation.

The facilities accounted for and maintained in this fund are City Hall and attached garages, the Public Works Building, Public Works Cold Storage, the Police Training Facility, the Mary Ann Young Center, and Fire Station #5. It's important to note this doesn't include park buildings or utility structures (well houses, treatment plants, lift stations).

As the City's facilities have been evaluated, a history of deferred maintenance has been identified. The facilities team is working towards remedying the impacts of deferred maintenance and performing regular preventative maintenance, but is struggling with resource constraints, inflationary costs, and a departmental chargeback system that has not yet caught up to the increased needs of the facilities program.

The Facilities Fund has received several transfers from the General Fund since 2019 to provide the fund with working capital as outlined in the table below:

Year	Purpose	Amount
2019	Start-up Funding	$250,000
2021	Public Works LED Lighting Project	$75,000
2022	Financial Stability	$1,000,000

The long-term goal is for this fund to be sustained through departmental charges; however, rightsizing the fees is a work in progress and will continue to require adjustments to fund both operating and capital needs.

Funding Sources
The primary funding source for the internal service fund comes from charges assessed to each of the departments in the City's General and Utilities Funds. The charges are split between two different categories: maintenance and replacement. The maintenance chargeback is intended to be used for operational expenses and any repairs to the facilities maintained by this fund, while the replacement charge assists in funding capital replacement items. The internal service charge is proposed to increase by 8.5 percent for 2026 and the model as presented maintains this annual rate of increase through the 2030 projection.

With the request to include $1,750,000 in 2027 for the construction of a parking and storage facility at City Hall being added during this budgeting cycle, staff recommend the issuance of bonds to finance the project.

The fund also receives investment earnings. Each month, investment earnings are allocated to each fund proportionally based on the daily cash position during the earning period. This funding varies greatly and includes adjustments for unrecognized market value changes.

Funding Uses

The Facilities Fund accounts for operational costs of facility staff wages and benefits, facility utilities, and contracted services related to facility maintenance. The proposed expenditure budget includes an increase of $81,602 or 5.6 percent from the 2024 adopted budget.

- Personnel services are increasing by $20,000 (4.4 percent)
- Supplies are increasing by $0 (0.0 percent)
- Contractual services are increasing by $12,000 (1.2 percent)

While contemplated in prior budgets, a Facility Manager is not included in this proposal. Should this position be incorporated in 2026, personnel services would be increased for wages and benefits, while chargebacks to the benefiting funds would likely need to be increased. Contractual services are the largest budgetary line within the operating fund and are used to account for utility expenses (gas, electic, water), custodial services, maintenance contracts, and building services. It's important to note that the City canceled its contract with Gaughan for building maintenance in 2024, resulting in a $45,300 budgetary reduction as staff assumed the associated tasks.

Associated with the proposed issuance of debt in 2027, for planning purposes, an annual debt service of $225,000 (interest and principal combined) has been included in the model starting with the 2028 plan year. This assumes an interest rate of 4.5% and a 10-year amortization period on the bonds.

At year-end 2030 under current projections, the operating fund is anticipated to have a net position of approximately $1.1 million with expenditures of $1.3 million. Generally, it is recommended that Internal Service Funds have at least 12 months of funds available should unforeseen budgetary constraints materialize, including unanticipated costs or a prolonged market downturn.

While the operating fund accumulates chargebacks from benefiting departments, for accounting purposes, facilities capital is recorded in the Facilities Capital Fund (411), financed by transfers from the Facilities Operating Fund (711).

2026-2030 Facilities Capital Improvement Plan (CIP)

The 2026-2030 capital requests from facilities total approximately $4.5 million with $448,000 of requests for the 2026 budget. The plan as presented, while economically feasible based on presumed internal chargebacks and bonding assumptions, leaves the fund strained at the conclusion of the plan. Significant changes compared to the 2025-2029 CIP include:

Proposed CIP Year	Project	Note	Amount
2026	Council Chambers Remodel	Removed	$125,000
2026	Fluorescent Light Replacement Upgrade	Added	$250,000
2027	Furniture Cloverleaf Room	Reduced	$45,000

2027	Parking & Storage Facility	Added; to be bonded for	$1,750,000

As a planning document, the CIP does not bind the City to the anticipated expenditures in the projected years. The CIP is not a budget, nor is it an authorization to expend funds. The authorization of the expenditures occurs through City Council action and in adoption of the annual budget. The projects listed in 2026 will come before the Council in December for formal approval and budget appropriations.

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

Attachments:

- *Fund Summary – includes 2024 actuals, the 2025 budget, and the 2026-2030 outlook; with detailed revenue sources, expenses, and projected cash balances.*

Strategic Plan Relationship

Board/Commission Review

Financial Impact

Public Outreach/Input

Staff Recommendation

Attachment List

1. Presentation
2. 2026 Internal Service Fund Summaries and Project Descriptions

Internal Service Funds

Council Workshop Meeting| Finance

6/23/2025

Agenda

Presentation

- Discuss Internal Service Funds
  - Self-Insurance
  - Workers' Compensation
  - Compensated Absences
  - Facilities

Outcome

- Discuss Council questions about the preliminary inputs
- Demonstrate budget aligns with Council framework
- Guidance to produce the City Manager's 2026 budget/tax levy in August

Internal Service Funds

- Definition: A fund that provides goods, benefits, or services to other funds, departments, or agencies on a cost-reimbursement basis; goal to break even.
- The City has five internal service funds
  - **Self-Insurance**
  - **Workers' Compensation**
  - **Compensated Absences**
  - **Facilities**
  - Pension Benefits
    - The City uses this fund to provide pension benefits to other funds of the City on a cost reimbursement basis. This is a non-cash use, financial reporting only fund. There will be no budget.

Setting the Stage

- Workers' Compensation and Self-Insurance Funds better positioned due to recent funding commitments
  - 2022: Combined ending cash balances of over $1.80 million
  - 2023: Council authorized the transfer of $2.50 million of general fund reserves to stabilize the funds
  - 2024 and 2025 budgets allocated $1.56 million total funding increases
  - 2026: Combined funding increase proposed of $350,000
  - Future annual increases modeled at $275,000
  - ***Five-Year outlook is very positive***

- Compensated Absences Fund funding has been surpassed by post-employment payouts although reserves remain available
  - 2026: Combined funding increase proposed of $32,000

- Facilities Fund was created in 2019 and continues to receive additional funding to right-size the program
  - From 2023-2025: 34% increase in funding or $450,000
  - 2026: Combined funding increase proposed of $157,000

Initial Base Levy Assumptions

2025 service levels at 2026 costs

Assumptions

Category	Amount	Percent of Levy Increase
Personnel/Cafeteria Plan/Other Benefits/Taxes	2,303,089	4.7%
Self-Insurance/Workers Comp/Comp Abs/Facilities	440,000	0.9%
Commodities/Services	495,401	1.0%
Information Technology Improvements	459,300	0.9%
Department Requests	233,000	0.5%
SBM Fire Funding (Operating)	267,000	0.5%
Reduce Engineering Charges	250,000	0.5%
Misc Revenue Increase	(583,901)	-1.2%
Safe Margin	40,000	0.1%
Capital	1,120,608	2.3%
Debt Service	939,503	1.9%
Total	$ 5,964,000	12.1%

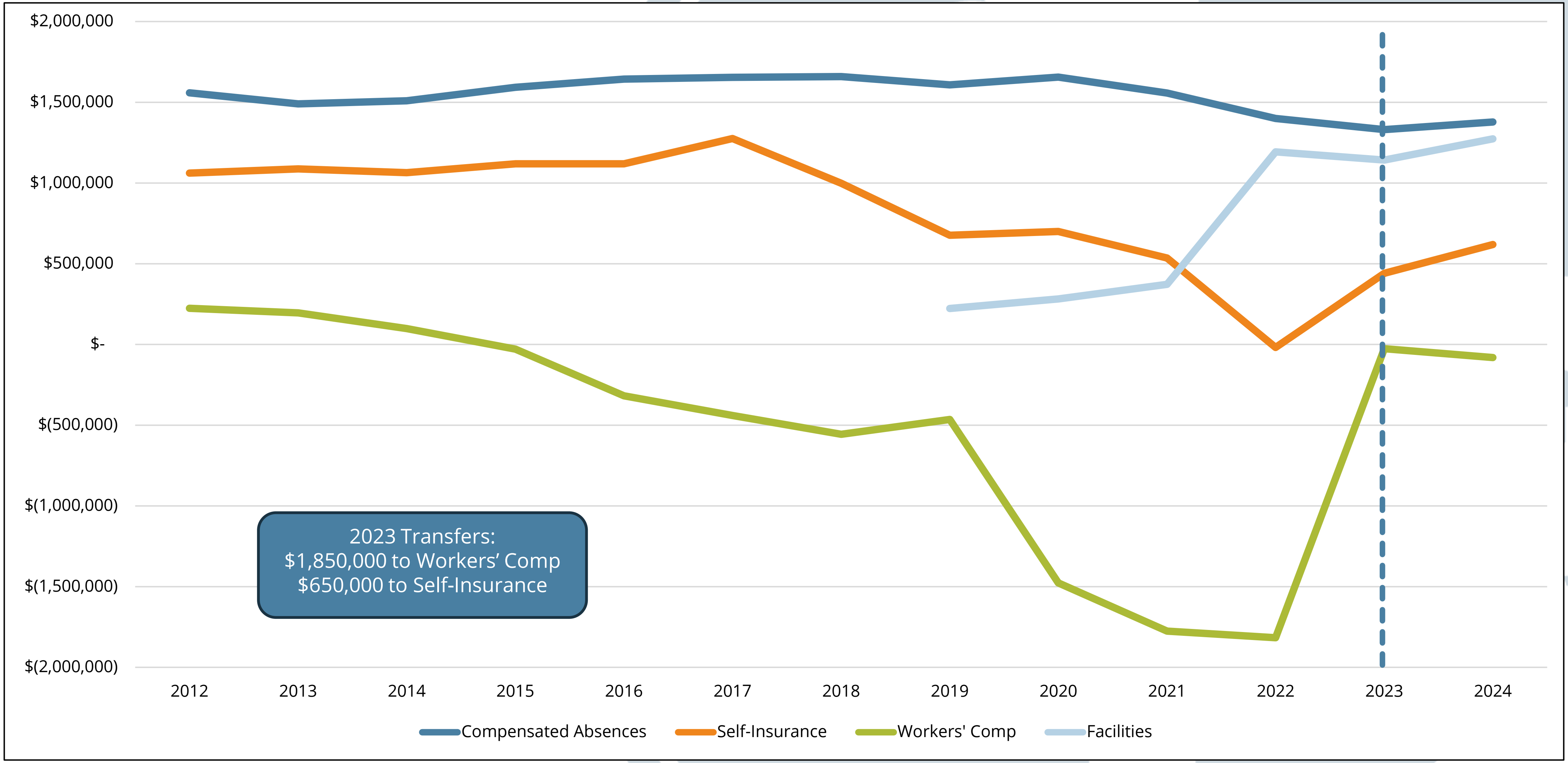
Why the Emphasis?

S&P Credit Rating Report

October 9, 2024

“Pressuring the city's recent financial profile are unexpected increases in workers' compensation claims, resulting in higher premiums and a deficit in the worker's compensation fund balance, which was remedied by an advance to the workers' compensation fund from the general fund. (Our analysis reflects adjustment of the city’s fiscal 2022 general fund reserves to account for the $1.8 million receivable.) Management indicates this receivable will be eliminated in 2024 following approved increases to internal service rates and with a one-time general fund transfer to the workers' compensation fund.”

Internal Service Funds Cash Balances



LMCIT Coverage

- The League of Minnesota Cities Insurance Trust (LMCIT) is a self-insured membership cooperative formed in 1980
- It was created by Minnesota cities for Minnesota cities and exists solely to serve its members
- LMCIT's fundamental purpose is to cover city risks and to mitigate hazards, not show a profit for stakeholders
- One-stop shop of service
- Self-Insurance & Workers' Compensation Policies

Self-Insurance Fund

Purpose

- To account for property, casualty, and liability insurance premiums and deductibles

Background

- Established in 1993
- Funding Sources: charges to other funds, insurance refunds and reimbursements
- Policy term: July to June
- City has deductible of $100,000 per occurrence and $200,000 aggregate per year; $1,000 maintenance deductible after aggregate is met; can pay claims for up to 10 years after the occurrence
- $650,000 transfer of General Fund reserves in 2023

Self-Insurance Policy Details – Property

- Property insurance generally covers the loss of or damage to:
  - Buildings
  - Building contents
  - Mobile equipment
  - Motor vehicles
  - Property in the open
- Typical risks and hazards include fire and weather
  - Property insurance provides broad coverage, is simple and easy for the City to administer, and minimizes the potential for errors that result in inadvertent gaps in coverage

Self-Insurance Policy Details - Liability

- Cities can be sued for a person's injury or loss
- Liability coverage insures against claims made by a third party against the City, an officer or employee, or another covered party for losses or injures to that third party
- To prove City liability, the person injured or who suffered the loss must demonstrate all the following:
  - The City, or one of its officers or employees, acted negligently in the course of their duties;
  - The negligent act or acts directly caused actual damages; and
  - The conduct causing the damages is not protected by immunity from liability claims

Liability Coverage Waiver

- Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased.

- *The decision to waive or not waive the statutory tort limits must be made annually by the member's governing body, in consultation with its attorney if necessary.* The decision has the following effects:

  - *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than $500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to $1,500,000.

  - *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to $2,000,000 for a single occurrence.

Self-Insurance Policy Detail

- The statutory municipal tort liability is limited to a maximum of $500,000 per claimant and $1.5 million per occurrence
  - These limits apply whether the claim is against the member, against an individual officer or employee, or against both
- LMCIT's liability coverage provides a standard limit of $2 million per occurrence as some types of liability claims not subject to the statutory tort cap
- Option to carry LMCIT's excess liability coverage to increase the member's coverage limit only for claims relating to a particular contract
  - Municipal Excess Liability Declaration (MEL) available in $1 million increments up to $8 million maximum

Municipal Excess Liability Coverage

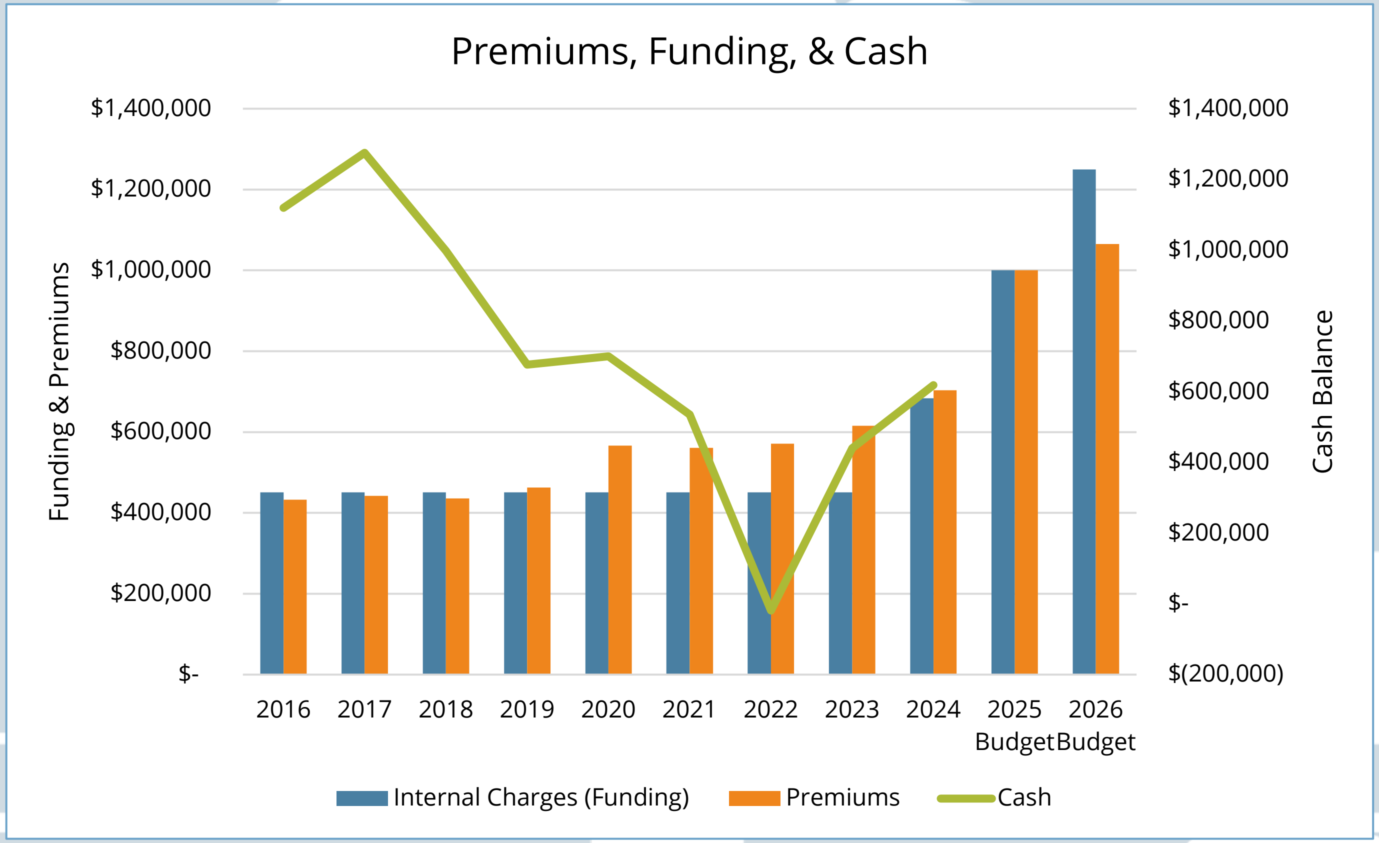
- Blaine carries $4 million aggregate Municipal Excess Liability Declaration (MEL)
- The statutory tort caps do not or may not apply for the following types of claims:
  - Claims under federal civil rights laws, including Section 1983, the Americans with Disabilities Act
  - Claims for tort liability the member has assumed by contract, which occurs when a member agrees in contract to defend and indemnify a private party
  - Claims for actions in another state, which may occur in border cities that have mutual aid agreements with adjoining states or when a member official attends a national conference
  - Claims based on a "taking" theory, which are suits challenging land use regulations frequently included in an "inverse condemnation" claim, alleging the regulation amounts to a "taking" of the property

Limits For Specific Risks

- Besides LMCIT's overall coverage limit of $2 million per occurrence, there are annual aggregate limits for certain risks
  - If the member has a loss or claim in one of these areas, there might not be enough limits remaining to cover the member's full exposure if there is another similar loss
- There are, however, a couple important restrictions on how the excess coverage applies to risks that are subject to aggregate limits. Examples include:
  - Failure to supply utilities
  - Mold
  - Lead and asbestos
  - Sudden and accidental release of pollutants below ground or of any body of water
  - No-fault sewer backup
  - Data security breach claims
  - Claims arising out of or related to Per- and Polyfluorinated Substances (PFAS)

Self-Insurance Fund Activity

- 2026 Budget:
  - Attempts to cover premium and standard deductible
  - Does not provide funding for new vehicle/equipment replacement
  - Need to increase reserves to revert to retrospective premium option
  - 2024/2025 Policy = $755,713 ($559,285 standard; $196,428 MEL)



BlaineMN.gov
Live | Work | Grow

City of Blaine, Minnesota
Self Insurance Fund - 704
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services	$ 450,850	$ 682,700	$ 683,550	1,000,000	$ 1,250,000	$ 1,425,000	$ 1,600,000	$ 1,775,000	$ 1,950,000
Property/Casualty Dividend	22,361	-		-	-	-	-	-	-
Refunds & Reimbursements	147,184	-	113,979	-	-	-	-	-	-
Intergovernmental	-	-	158,776	-	-	-	-	-	-
Total Operating Revenues	620,395	682,700	956,305	1,000,000	1,250,000	1,425,000	1,600,000	1,775,000	1,950,000
Operating Expenses*									
Property & Casualty Premium	439,797	489,500	512,950	780,000	830,700	884,696	942,201	1,003,444	1,068,668
Excess Liability Premium	175,640	193,200	190,200	220,000	234,300	249,530	265,749	283,023	301,419
Standard Deductible	182,666	-	164,670	200,000	200,000	200,000	200,000	200,000	212,000
Long-Term Liability Adjustment**	(10,290)	-	(75,256)	-	-	-	-	-	-
Total Operating Expenses	787,813	682,700	792,564	1,200,000	1,265,000	1,334,226	1,407,950	1,486,467	1,582,087
Operating Income (Loss)	(167,418)	-	163,740	(200,000)	(15,000)	90,774	192,050	288,533	367,913
Nonoperating Revenues (Expenses)									
Investment Earnings	217	-	19,770	-	-	-	-	-	-
Total Nonoperating	217	-	19,770	-	-	-	-	-	-
Income (Loss) Before Transfers	(167,201)	-	183,510	(200,000)	(15,000)	90,774	192,050	288,533	367,913
Transfers									
Transfers In From General Fund	650,000	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Transfers	650,000	-	-	-	-	-	-	-	-
Change in Net Position	482,799	-	183,510	(200,000)	(15,000)	90,774	192,050	288,533	367,913
Net Position, January 1	(472,809)	9,990	9,990	193,500	(6,500)	(21,500)	69,274	69,274	261,324
Net Position, December 31	9,990	9,990	193,500	(6,500)	(21,500)	69,274	261,324	357,807	629,237
Cash Balance, December 31	$ 467,009	$ 467,009	$ 478,763	$ 278,763	$ 263,763	$ 354,537	$ 546,587	$ 643,070	$ 914,500
Incurred But Not Reported Claims	442,397	442,397	367,141	367,141	367,141	367,141	367,141	367,141	367,141

*Does not include funding for new vehicle/equipment replacement
**Audit adjustment for incurred but not reported claims

Workers' Compensation Fund

Purpose

- To account for workers compensation coverage and collect premiums from other City funds

Background

- Established in 2012
- Policy term: July to June
- Funding sources: charges to other funds, insurance refunds and reimbursements
- City had previously elected a retrospective plan; converted to standard policy for 2024/2025 coverage period
- $1.85 million transfer of General Fund/Strategic Priorities Fund in 2023

Workers Compensation Benefits

- With certain exceptions, all cities must pay workers compensation benefits to its employees for all injuries from accidents arising out of, and in the course of, city employment

- Workers compensation is a “no-fault system”
  - In other words, regardless of who is at fault, an injured employee is covered under the workers compensation statute

- An injury defined by statute as compensable must have the following three elements:
  - The employee must sustain a personal injury (i.e., mental impairment) or physical injury
  - The personal or physical injury must arise out of employment
  - The personal or physical injury must occur in the course of employment

Non-Work-Related Injuries

- Injuries that occur while participating in voluntary recreational programs such as a City-sponsored picnic
  - An employee who injures their back while playing volleyball is an example of this type of injury; this does not apply if an employee was ordered or assigned to attend
- Injuries that occur during unpaid lunch breaks where the employer has no supervision or control during breaks
  - An example is an employee who breaks his or her tooth while eating an apple at lunch
- Injuries that do not arise out of the employee’s employment
  - An employee who injures their arm while playing flag football is an example of this type of injury
- Mental impairment if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, or retirement taken in good faith by the employer

Benefits

If an employee has sustained an injury covered by workers' compensation, they may be entitled to:

- **Medical benefits**: no cap under the workers' compensation statute
- **Indemnity benefits**: commonly known as lost time benefits or wage replacement
- **Temporary total disability**: when an employee is completely disabled from work for a temporary period
- **Temporary partial disability**: when an employee receives less than his or her pre-injury wage
- **Permanent partial disability**: when a disability rating is determined by a physician, based on a loss of function or use
- **Permanent total disability**: when an employee is permanently restricted from employment
- **Death benefits**: when an employee dies because of an injury

Experience Modification

- To maintain equity in setting each city's premium, the rate is then adjusted by an experience modification (mod) factor
  - The modification factor looks at each city's claims experience from the three most recently completed years
- A mod is calculated by dividing a company's actual workers' compensation losses by expected losses

E-Mod	Claim Cost Experience
<1.00	Better than comparable communities
=1.00	Average to comparable communities
>1.00	Worse than comparable communities

City of Blaine	
Policy Year	E-Mod
2025/2026	1.20
2024/2025	1.25
2023/2024	1.08
2022/2023	1.16
2021/2022	1.46
2020/2021	1.56
2019/2020	1.17
2018/2019	1.18
2017/2018	1.04
2016/2017	1.05

Net Actual Premium

- The City pays a deposit premium to LMCIT at the beginning of the agreement period
  - Based on payroll class codes
- At the end of the policy term, an audit determines the actual payroll for the period and issues the resulting net actual premium adjustment
  - For a standard premium this becomes the City's final premium
- 2023/2024 audit completed in August
  - $49,338 premium charge

CODE	DESCRIPTION
5506	STREET CONSTRUCTION
7520	WATERWORKS
7721	POLICE-NON SMOKING
8227	CITY SHOP & YARD
8810	CLERICAL OFFICE EMPLOYEES NOC
9015	BUILDINGS-OPER BY OWNER
9102	PARKS
9410	MUNICIPAL EMPLOYEES
9411	ELECTED OR APPOINTED OFFICIALS

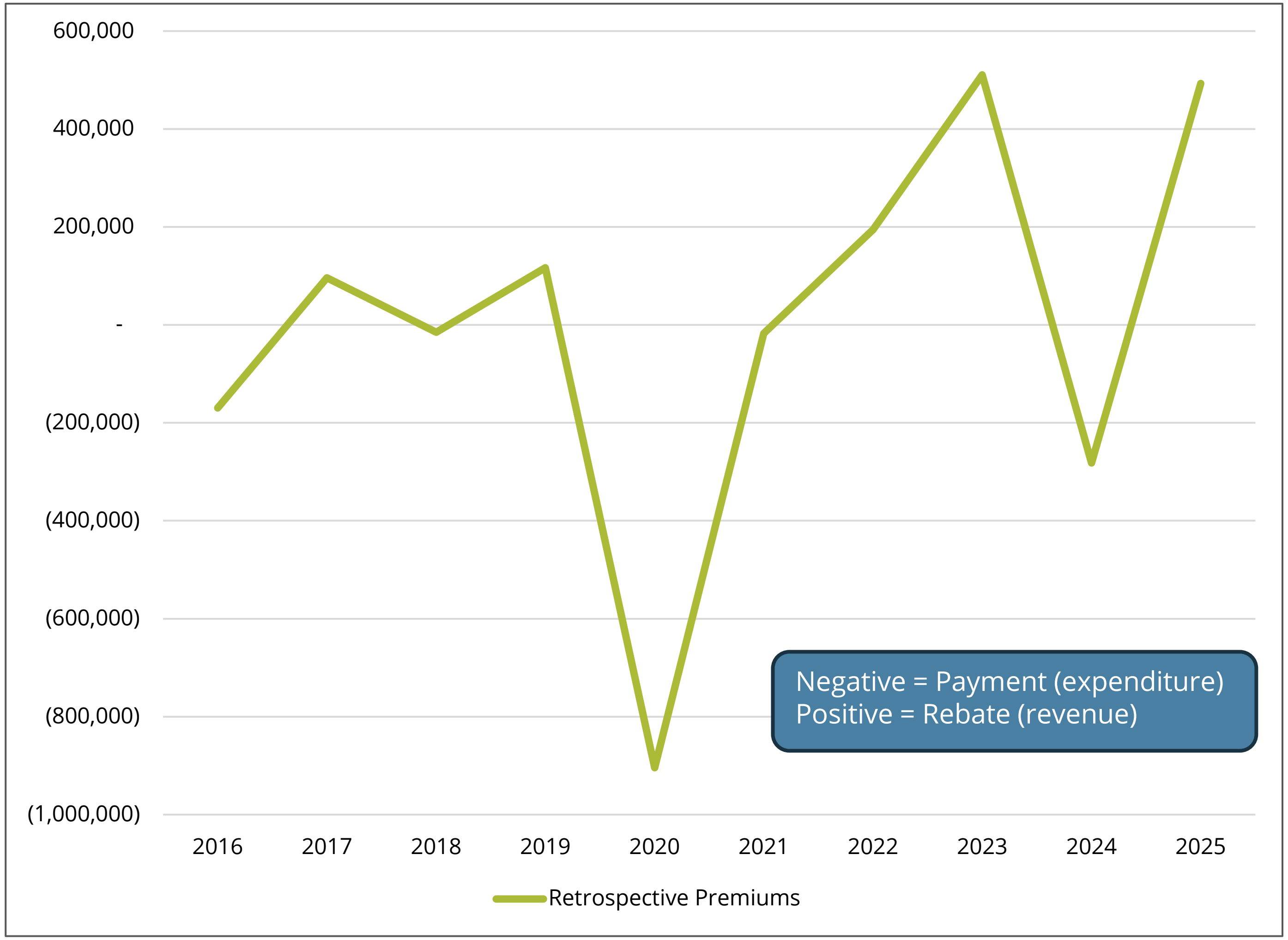
Retrospective Premium Option Background

- Alternative method of determining a city's premium charge
- The city's final premium reflects the city's own actual loss experience subject to minimum and maximum limits and is not known until all claim activity from the period ceases
  - Annual adjustments throughout the coverage period based on incurred costs "annual retrospective adjustments"
  - Retrospective years are closed after 16 years
- With good experience, this option can save a city significant money during the long run
  - The city is also subject to possible premium increases if it experiences a lot of injuries or a single big loss
- Previous election until current policy term

Workers' Compensation Premium Adjustments

Question
Why did we choose to go to a standard deductible starting for '24-'25?

- The city's cash deficit in the fund has prohibited the retro option
- Generally, a well managed workers comp program monetarily benefits from participation in a retro plan compared to the standard deductible
- Must be able to absorb the unevenness of retrospective adjustments



Deductible Option

LMCIT calculates premium rates based on city payroll

All cities are eligible to chose their own deductible

2024-2025 policy $10,000 per occurrence deductible

Attractive option for cities who feel the retrospective option is too risky

Lower premium in return for higher deductibles

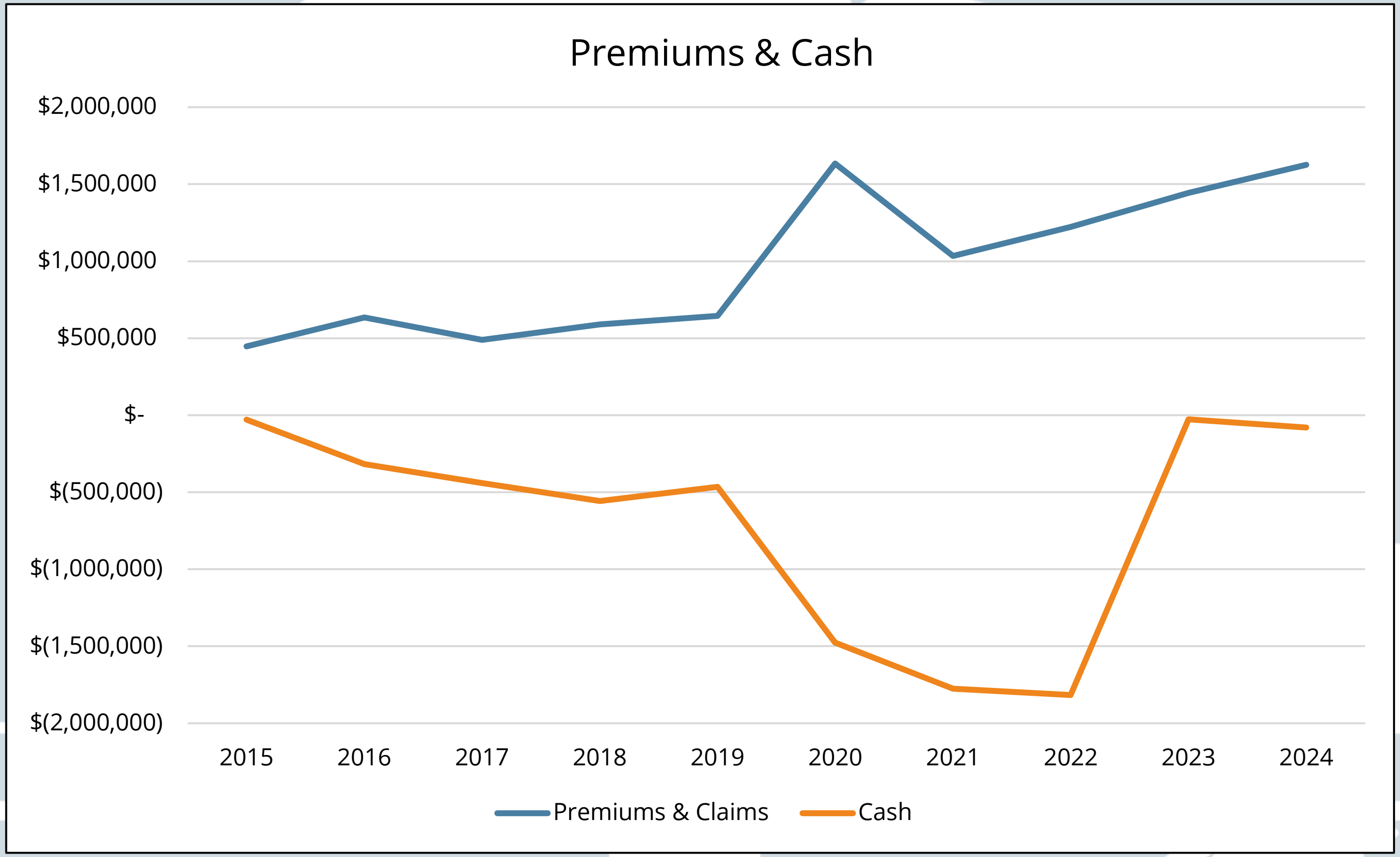
- LMCIT will pay vendors directly
- City then billed for costs up to per occurrence deductible

Deductible Option

- LMCIT calculates a city's premium rate based on city provided payroll
- All cities are eligible to chose their own deductible
- Attractive option for cities who feel the retrospective option is too risky
- Lower premium in return for higher deductibles
  - LMCIT will pay vendors directly
  - City then billed for costs up to per occurrence deductible
- Elected for 2024-2025 policy year
  - $10,000 per occurrence deductible

Workers' Compensation Fund Activity

- 2026 Budget:
  - Attempts to cover premium and standard deductible
  - More advanced practices in estimating payroll
  - No funding to cover potential retrospective premiums
  - **Need to address unbudgeted activity for 2024:**
    - **Retro premium = $281,825**
    - **Annual premium adjustment = $49,338**



City of Blaine, Minnesota
Workers' Compensation Fund - 706
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services	$ 974,837	$ 1,516,215	$ 1,542,095	$ 1,988,555	$ 2,088,555	$ 2,188,555	$ 2,288,555	$ 2,388,555	$ 2,488,555
Retrospective Premium Adjustment*	510,635	-	-	-	-	-	-	-	-
Miscellaneous	-	-	47,329	-	-	-	-	-	-
Total Operating Revenues	1,485,472	1,516,215	1,589,424	1,988,555	2,088,555	2,188,555	2,288,555	2,388,555	2,488,555
Operating Expenses									
Premium	1,179,280	1,516,215	1,295,414	1,440,322	1,555,548	1,679,992	1,814,392	1,959,544	2,116,308
Deductible Claims & Losses	2,845	-	20,664	100,000	100,000	100,000	100,000	100,000	100,000
Retrospective Premium Adjustment*	-	-	281,825	-	-	-	-	-	-
Annual Premium Adjustment**	263,640	-	49,338	-	-	-	-	-	-
Total Operating Expenses	1,445,765	1,516,215	1,647,241	1,540,322	1,655,548	1,779,992	1,914,392	2,059,544	2,216,308
Operating Income (Loss)	39,707	-	(57,817)	448,233	433,007	408,563	374,163	329,011	272,247
Nonoperating Revenues (Expenses)									
Investment Earnings	(39,384)	-	2,171	-	-	-	-	-	-
Total Nonoperating	(39,384)	-	2,171	-	-	-	-	-	-
Income (Loss) Before Transfers	323	-	(55,646)	448,233	433,007	408,563	374,163	329,011	272,247
Transfers									
Transfers In From General Fund	850,000	-	-	-	-	-	-	-	-
Transfers In From Strategic Priorities Fund	1,000,000	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Transfers	1,850,000	-	-	-	-	-	-	-	-
Change in Net Position	1,850,323	-	(55,646)	448,233	433,007	408,563	374,163	329,011	272,247
Net Position, January 1	(1,881,061)	(30,738)	(30,738)	(86,384)	361,849	794,856	1,203,419	1,577,582	1,906,593
Net Position, December 31	(30,738)	(30,738)	(86,384)	361,849	794,856	1,203,419	1,577,582	1,906,593	2,178,840
Cash Balance, December 31	$ (26,858)	$ (26,858)	$ (81,009)	$ 421,375	$ 854,382	$ 1,262,945	$ 1,637,108	$ 1,591,956	$ 1,909,355

*Based on actual performance for years retrospective plan was selected; not budgeted due unknown outcomes

**Based on actual payroll data compared to anticipated salary data provied when premium was established; not budgeted due unknown outcomes

Compensated Absences

Purpose

- To account for unused sick and vacation balances as outlined in the City's personnel policies

Background

- Established in 1991
- Funding Sources: charges to other funds
- Accounts for liability related to eligible post-employment benefits
- Used to fund post-employment severance related to eligible sick & vacation time

GASB Statement No. 101

- Supersedes Statement No. 16
  - Effective for fiscal years starting after December 15, 2023

- *"A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means."*

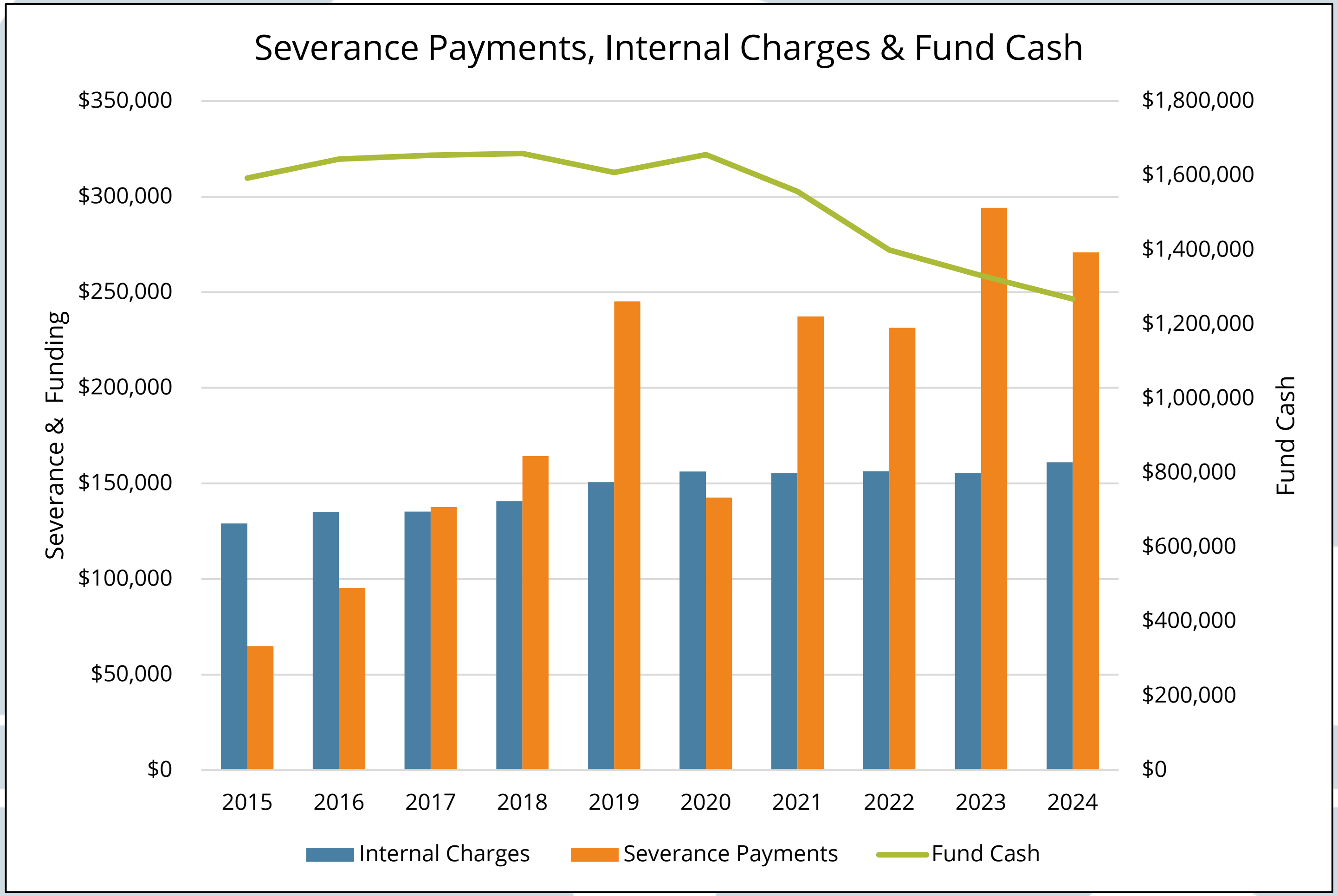
- The city is required to record an adjusting entry annually to account for the value of unused accrued benefits at their cash value
  - This does not represent the actual payments

Post-Employment Severance Payments

- The Compensated Absences Fund has been used to report the outstanding liability as well as the actual cash payments for eligible earned leave
  - In accordance with City policies and union agreements
- Utilizing this centralized fund provides for:
  - Transparency in reporting post-employment benefit payments
  - Eliminating expenditure spikes in operating funds related to severance payments
  - Immediate backfills of open positions by removing budgetary considerations of severance payments

Compensated Absences Fund Activity

- 2026 Budget:
  - Assumes to follow the trend of post-employment payments exceeding funding
  - $32,000 increase in funding from 2025 due to payouts exceeding internal charges
  - Consider phasing in addition funding in future years to sustain program



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City of Blaine, Minnesota
Compensated Absences Fund - 703
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services	$ 155,439	$ 161,000	$ 161,000	161,000	$ 193,000	$ 231,600	$ 277,900	$ 333,500	$ 400,200
Total Operating Revenues	155,439	161,000	161,000	161,000	193,000	231,600	277,900	333,500	400,200
Operating Expenses									
Post-Employment Benefit*	439,300	512,000	1,011,009	275,000	288,750	307,519	327,507	348,795	371,467
Total Operating Expenses	439,300	512,000	1,011,009	275,000	288,750	307,519	327,507	348,795	371,467
Operating Income (Loss)	(283,861)	(351,000)	(850,009)	(114,000)	(95,750)	(75,919)	(49,607)	(15,295)	28,733
Nonoperating Revenues (Expenses)									
Investment Earnings	71,882	-	44,456	-	-	-	-	-	-
Total Nonoperating	71,882	-	44,456	-	-	-	-	-	-
Income (Loss) Before Transfers	(211,979)	(351,000)	(805,553)	(114,000)	(95,750)	(75,919)	(49,607)	(15,295)	28,733
Transfers									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers In From Strategic Priorities Fund	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Transfers	-	-	-	-	-	-	-	-	-
Change in Net Position	(211,979)	(351,000)	(805,553)	(114,000)	(95,750)	(75,919)	(49,607)	(15,295)	28,733
Net Position, January 1	(1,477,009)	(1,688,988)	(1,688,988)	(2,039,988)	(2,153,988)	(2,249,738)	(2,325,657)	(2,375,264)	(2,390,560)
Net Position, December 31	(1,688,988)	(2,039,988)	(2,494,541)	(2,153,988)	(2,249,738)	(2,325,657)	(2,375,264)	(2,390,560)	(2,361,827)
Cash Reconcilliation									
Remove Accrued Post Employment Benefit Cost	(439,300)	(512,000)	(740,103)	(275,000)	(288,750)	(307,519)	(327,507)	(348,795)	(371,467)
Add Post-Employment Payouts	294,199	275,000	270,906	288,750	303,188	318,347	334,264	350,977	368,526
Cash Balance, December 31	$ 1,330,624	$ 1,216,624	$ 1,267,621	$ 1,139,871	$ 1,029,684	$ 942,937	$ 886,572	$ 869,095	$ 900,769

*As an internal service fund the City is required to expense the change in city-wide leave balance; does not represent actual post-employment payouts

Facilities Fund

Purpose

- To account for the maintenance and repair of primary city structures

Background

- Established in 2019
- Funding Sources: charges to other funds
- Centralized service and coordination of maintenance
- Replacement cost of facilities-maintained buildings is estimated at $65 million

Facilities Managed

Included

City Hall and attached garages

Built: 2002/2008 Addition/2023 Renovation

Sq. Footage: 114,754

Public Works Building

Built: 1982/2008 Addition

Sq. Footage: 125,672

PW Cold Storage Building

Built: 2010

Sq. Footage: 11,485

Police Training Building

Built: 2010

Sq. Footage: 1,998

Mary Ann Young Center (MAYC)

Built: 2019

Sq. Footage: 14,594

Old Fire Station #5

Built: 1980

Sq. Footage: 3,994

Not Included

Utility buildings
- Treatment plants
- Well houses
- Lift stations

Parks buildings
- Blaine Baseball Complex
- Lexington Athletic Complex
- Warming Houses and Shelters

Facilities Fund Structure

- For accounting purposes operating and capital accounts are required
  - Facilities Internal Service Operating Fund (711)
  - Facilities Capital Fund (416)
- All departmental chargebacks (revenues) are directed to the operating fund
  - The operating fund then makes annual transfers to the capital fund
- Presented separately; both funds operate to manage and improve city facilities

Facilities Fund Transfers

- The facilities fund has received several transfers from the General Fund since 2019 to provide working capital:

Year	Purpose	Amount
2019	Start-up Funding	$250,000
2021	Public Works LED Lighting Project	$75,000
2022	Financial Stability	$1,000,000

Facilities Operating Fund

- Accounts for operational costs including facility staff wages and benefits, facility utilities, and contracted services related to facility maintenance

2026 Positions funded*:

- Facilities Worker
- Senior Facilities Worker
- Facilities Technician
- Facilities Coordinator

2026 Budgetary Changes

↑ *$32,000 or 2.0% in total*

- Personnel Services ↑ $20,000 or 4.4%
- Supplies ↑ $0 or 0.0%
- Contractual Service ↑ $12,000 or 1.2%

- In 2024 the contract with Gaughan was cancelled resulting in ≈ $45,300 savings

*Supervision provided by the Deputy Fire Marshall

Recent Accomplishments

- 4 Boilers replaced at Public Works
- Installed Building Automation System at Public Works and MAYC
- Upgraded LED Lights in City Hall Atrium
- Updated Security Cameras at City Hall, Bandshell, Public Works, and MAYC
- Updated Fire Alarm Panels at City Hall, Public Works, Cold Storage, Old Fire Station 5, and MAYC
- Replaced Parking Lot Lighting at City Hall
- Added Parking Lot Lighting at Public Works
- Created Drop Off & Exchange Area with Added Security Cameras at City Hall
- Insulated Third Floor Rim Joist at City Hall
- Completed Brick and Metal Work at the Cold Storage Building

2025 Featured Projects

$250,000

Public Works Fuel Island
(in progress)

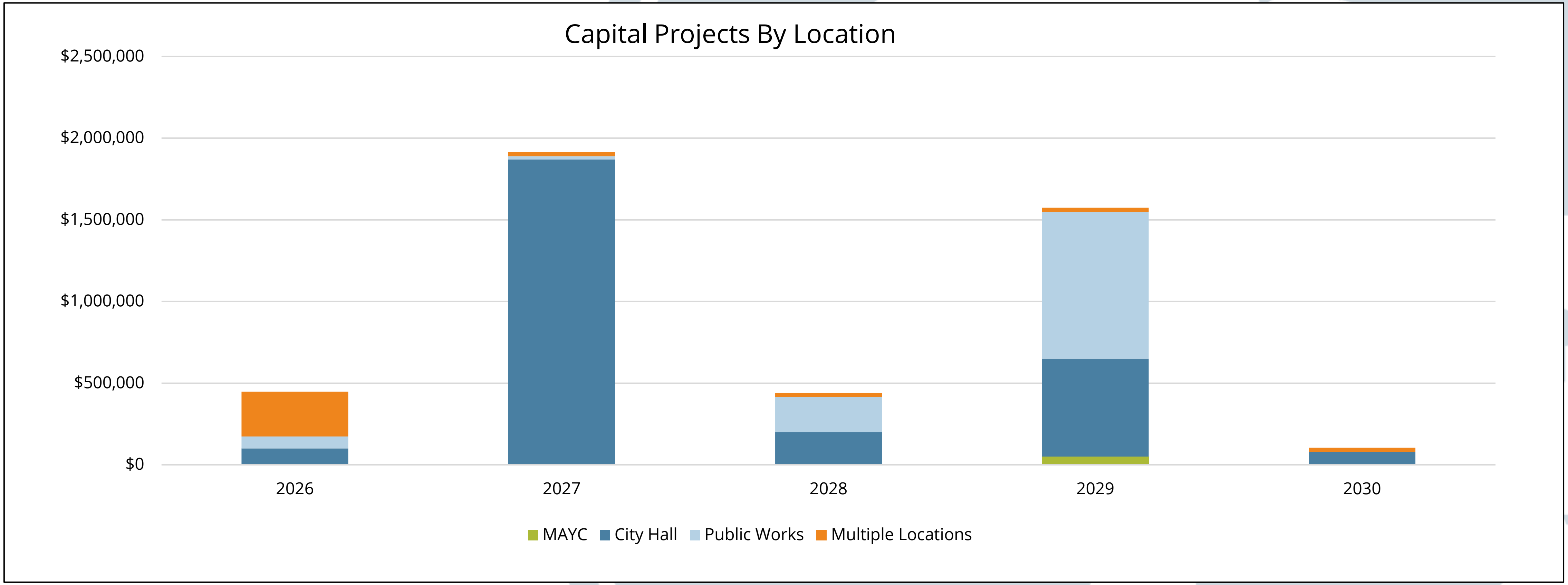
$140,000

Public Works Overhead Doors
(in progress)

$125,000

City Hall Ballistic Glass
(complete)

Facilities 2026-2030 Capital Comparison



≈ $4.5 million in total projects

Changes for ‘26-’30 from ‘25-’29

- As part of any capital program, revisions are made annually to accommodate changes in funding, competing priorities, and the overall condition of facilities
- Under the current plan, the five-year outlook results in a decrease in the overall available funding

Proposed CIP Year	Project	Note	Amount
2026	Council Chambers Remodel	Removed	$125,000
2026	Fluorescent Light Replacement Upgrade	Added	$250,000
2027	Furniture Cloverleaf Room	Reduced	$45,000
2027	Parking & Storage Facility	Added; to be bonded for	$1,750,000

2026 Project Spotlights

Fluorescent Light Replacement

- New state law, includes replacing bulbs, fixtures, switches, and programming
- Requesting $250,000

Evidence Room Ventilation Updates

- Install improved ventilation in police evidence processing room
- Requesting $100,000

PW Water Heater Replacement

- Unit is approaching the typical lifespan of 10-15 years; failure can cause damage
- Requesting $20,000

CIP Highlights

- Fluorescent Light Replacement
  - Proposed 2026; $250,000
- Parking & Storage Facility at City Hall
  - Proposed 2027; $1,750,000
- Cold Garage Floor Repair at City Hall
  - Proposed 2027; $200,000
- New Roof on Public Works Building (Original Portion)
  - Proposed 2029; $900,000
- City Hall Parking Lot Rehabilitation
  - Proposed 2029; $500,000

Funding Sources

- Department Contributions/Chargebacks
  - Consistent with operation of Internal Service Funds
  - Funded by benefiting departments
  - Reside in Facilities Operating Fund with transfers to Facilities Capital Fund
  - Current model includes 8.5% increase annually for 2026-2030
- Bond Proceeds
  - Required under current 5-year funding model to facilitate the Parking & Storage Facility at City Hall in 2027
- Investment Earnings
  - Interest received based on investment performance

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City of Blaine, Minnesota
Facilities Operating Fund - 711
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services*	$ 1,322,620	$ 1,696,330	$ 1,696,330	$ 1,770,939	$ 1,928,732	$ 2,092,674	$ 2,270,551	$ 2,463,548	$ 2,672,950
Miscellaneous	-	-	1,178	-	-	-	-	-	-
Total Operating Revenues	1,322,620	1,696,330	1,697,508	1,770,939	1,928,732	2,092,674	2,270,551	2,463,548	2,672,950
Operating Expenses**									
Personnel Services	327,346	426,208	420,364	452,598	472,293	495,908	520,703	520,703	546,738
Supplies	83,545	93,790	77,784	101,600	101,600	106,680	112,014	112,014	117,615
Contractual Services	739,762	922,720	734,718	972,285	984,300	1,033,515	1,085,191	1,085,191	1,139,451
Other Services & Charges	-	-	29,471	-	-	-	-	-	-
Capital Outlay	95,717	-	-	-	-	-	-	-	-
Total Operating Expenses	1,246,370	1,442,718	1,262,337	1,526,483	1,558,193	1,636,103	1,717,908	1,717,908	1,803,804
Operating Income (Loss)	76,250	253,612	435,171	244,456	370,539	456,571	552,643	745,640	869,146
Nonoperating Revenues (Expenses)									
Investment Earnings	57,062	500	40,523	12,500	12,500	12,500	12,500	12,500	12,500
Penalties & Interest	-	-	-	-	-	-	(47,000)	(47,000)	(47,000)
Total Nonoperating	57,062	500	40,523	12,500	12,500	12,500	(34,500)	(34,500)	(34,500)
Income (Loss) Before Transfers	133,312	254,112	475,694	256,956	383,039	469,071	518,143	711,140	834,646
Transfers									
Transfers In	-	-	-	-	-	-	-	-	-
Transfer Out to Facilities Capital	(105,682)	(195,045)	(195,045)	(817,843)	(575,000)	(575,000)	(575,000)	(575,000)	(575,000)
Total Transfers	(105,682)	(195,045)	(195,045)	(817,843)	(575,000)	(575,000)	(575,000)	(575,000)	(575,000)
Change in Net Position	27,630	59,067	280,649	(560,887)	(191,961)	(105,929)	(56,857)	136,140	259,646
Net Position, January 1	1,063,459	1,091,089	1,091,089	1,371,738	810,851	618,890	512,961	456,104	592,244
Net Position, December 31	1,091,089	1,150,156	1,371,738	810,851	618,890	512,961	456,104	592,244	851,890
Net Change in Cash									
Beginning Cash	1,192,508	1,141,459	1,141,459	1,429,080	868,193	676,232	570,303	335,446	293,586
Change in Net Position	27,630	59,067	280,649	(560,887)	(191,961)	(105,929)	(56,857)	136,140	259,646
Remove Debt Princial Paid	-	-	-	-	-	-	(178,000)	(178,000)	(178,000)
Cash Balance, December 31	$ 1,141,459	$ 1,200,526	$ 1,429,080	$ 868,193	$ 676,232	$ 570,303	$ 335,446	$ 293,586	$ 375,232

* Assumes an annual increase of 8.5% for 2026-2030
** Assumes an annual increase of 5.0% for 2026-2030

City of Blaine, Minnesota
Facilities Capital Fund - 416
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2024 Budget	2024 Actual	2025 Budget	2026 CIP	2027 CIP	2028 CIP	2029 CIP	2030 CIP
Revenues								
Intergovernmental	$ 126,550	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment Earnings	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Total Revenues	126,550	-	1,000	1,000	1,000	1,000	1,000	1,000
Capital Outlay								
Boiler Replacement - Public Works	55,670	63,980	-	-	-	-	-	-
Overhead Garage Doors Replacement Public Works	107,600	94,657	140,000	53,800	-	-	-	-
Public Works Roof Repair & Maintenance Program	10,000	2,020	-	-	-	-	-	-
City Hall Proposed 7 Year Pavement Management Plan	3,200	-	-	-	-	-	-	-
PD Cold Storage Proposed 7 Year Pavement Management Plan	26,850	-	-	-	-	-	-	-
Replacement of Condensation Pumps for Boilers - Public Works	5,800	-	-	-	-	-	-	-
Unit Heater Replacement - Public Works	5,055	-	-	-	-	-	-	-
Public Works 7 Year Pavement Management Plan	61,700	-	-	-	-	-	-	-
Ballistic Glass at City Hall	124,970	41,657	83,313	-	-	-	-	-
Aquatore Bandshell Cameras	10,144	10,333	-	-	-	-	-	-
Building Automation (HVAC) at MAYC	22,300	21,110	-	-	-	-	-	-
Interior LED Lighting City Hall	32,385	11,000	-	-	-	-	-	-
Building Automation (HVAC) at PW	31,000	30,690	-	-	-	-	-	-
Fleet Manager Office	34,950	-	34,950	-	-	-	-	-
Fuel Island Repair PW	-	-	250,000	-	-	-	-	-
Roof Top A/C Unit For Fire Garage/Armory	-	-	10,580	-	-	-	-	-
Fluorescent Light Replacement Upgrade	-	-	-	250,000	-	-	-	-
Ventilation System Evidence Area City Hall Police Department	-	-	-	100,000	-	-	-	-
ADA Compliance Updates	-	-	-	25,000	25,000	25,000	25,000	25,000
Hot Water Heater Public Works	-	-	-	20,000	-	-	-	-
Parking & Storage Facility City Hall	-	-	-	-	1,750,000	-	-	-
Furniture Cloverleaf Room City Hall	-	-	-	-	45,000	-	-	-
Carpet Replacement City Hall	-	-	-	-	75,000	-	75,000	-
Gas Hanging Heater Public Works	-	-	-	-	20,000	-	-	-
Cold Garage Floor Repair City Hall	-	-	-	-	-	200,000	-	-
New Security Gate Public Works	-	-	-	-	-	90,000	-	-
Carpet Replacement Public Works	-	-	-	-	-	75,000	-	-
Water Softener Public Works	-	-	-	-	-	50,000	-	-
New Roof Original Building Public Works	-	-	-	-	-	-	900,000	-
Parking Lot Rehabilitation City Hall	-	-	-	-	-	-	500,000	-
Hot Water Heaters MAYC	-	-	-	-	-	-	50,000	-
Water Softener City Hall	-	-	-	-	-	-	25,000	-
Secure Police Gate City Hall	-	-	-	-	-	-	-	50,000
3rd Floor Window Tinting City Hall	-	-	-	-	-	-	-	30,000
Total Capital Outlay	531,624	275,447	518,843	448,800	1,915,000	440,000	1,575,000	105,000
Revenues Over (Under) Expenditures	(405,074)	(275,447)	(517,843)	(447,800)	(1,914,000)	(439,000)	(1,574,000)	(104,000)
Other Financing Sources (Uses)								
Transfers In From Facilities Operating	195,045	195,045	817,843	600,000	600,000	600,000	600,000	600,000
Transfers In From General Fund	-	34,950	-	-	-	-	-	-
Transfers In From Capital Improvements Fund	-	135,114	-	-	-	-	-	-
Transfers In From Communications Fund	-	-	-	-	-	-	-	-
GO Bond Proceeds	-	-	-	-	1,750,000	-	-	-
Transfer Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	195,045	365,109	817,843	600,000	2,350,000	600,000	600,000	600,000
Net Change in Fund Balance	(210,029)	89,662	300,000	152,200	436,000	161,000	(974,000)	496,000
Fund Balance, January 1	-	-	89,662	389,662	541,862	977,862	1,138,862	164,862
Fund Balance, December 31	(210,029)	89,662	389,662	541,862	977,862	1,138,862	164,862	660,862
Cash Balance, December 31	$ (210,029)	$ 89,662	$ 389,662	$ 541,862	$ 977,862	$ 1,138,862	$ 164,862	$ 660,862

Key Takeaways

- Workers' Compensation & Self-Insurance Funds are better positioned due to recent funding commitments
- Compensated Absences funding has been surpassed by post-employment payouts; reserves available but not sustainable long term
- Facilities Fund was created in 2019; program funding requires continued modification to align with Council approved projects and financing strategies
- Total proposed levy impact for 2026 < 1 percent
- Overall, the City's Internal Service Funds are on a path to stability

Questions for Council

- Is there a consensus on the proposed budgets as outlined, considering the tax levy impact as outlined at the June 9 workshop?
  - Self-Insurance
  - Workers' Compensation
  - Compensated Absences
  - Facilities

City of Blaine, Minnesota
Self Insurance Fund - 704
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services	$ 450,850	$ 682,700	$ 683,550	1,000,000	$ 1,250,000	$ 1,425,000	$ 1,600,000	$ 1,775,000	$ 1,950,000
Property/Casualty Dividend	22,361	-		-	-	-	-	-	-
Refunds & Reimbursements	147,184	-	113,979	-	-	-	-	-	-
Intergovernmental	-	-	158,776	-	-	-	-	-	-
Total Operating Revenues	620,395	682,700	956,305	1,000,000	1,250,000	1,425,000	1,600,000	1,775,000	1,950,000
Operating Expenses*									
Property & Casualty Premium	439,797	489,500	512,950	780,000	830,700	884,696	942,201	1,003,444	1,068,668
Excess Liability Premium	175,640	193,200	190,200	220,000	234,300	249,530	265,749	283,023	301,419
Standard Deductible	182,666	-	164,670	200,000	200,000	200,000	200,000	200,000	212,000
Long-Term Liability Adjustment**	(10,290)	-	(75,256)	-	-	-	-	-	-
Total Operating Expenses	787,813	682,700	792,564	1,200,000	1,265,000	1,334,226	1,407,950	1,486,467	1,582,087
Operating Income (Loss)	(167,418)	-	163,740	(200,000)	(15,000)	90,774	192,050	288,533	367,913
Nonoperating Revenues (Expenses)									
Investment Earnings	217	-	19,770	-	-	-	-	-	-
Total Nonoperating	217	-	19,770	-	-	-	-	-	-
Income (Loss) Before Transfers	(167,201)	-	183,510	(200,000)	(15,000)	90,774	192,050	288,533	367,913
Transfers									
Transfers In From General Fund	650,000	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Transfers	650,000	-	-	-	-	-	-	-	-
Change in Net Position	482,799	-	183,510	(200,000)	(15,000)	90,774	192,050	288,533	367,913
Net Position, January 1	(472,809)	9,990	9,990	193,500	(6,500)	(21,500)	69,274	69,274	261,324
Net Position, December 31	9,990	9,990	193,500	(6,500)	(21,500)	69,274	261,324	357,807	629,237
Cash Balance, December 31	$ 467,009	$ 467,009	$ 478,763	$ 278,763	$ 263,763	$ 354,537	$ 546,587	$ 643,070	$ 914,500
Incurred But Not Reported Claims	442,397	442,397	367,141	367,141	367,141	367,141	367,141	367,141	367,141

*Does not include funding for new vehicle/equipment replacement
**Audit adjustment for incurred but not reported claims

City of Blaine, Minnesota
Workers' Compensation Fund - 706
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services	$ 974,837	$ 1,516,215	$ 1,542,095	$ 1,988,555	$ 2,088,555	$ 2,188,555	$ 2,288,555	$ 2,388,555	$ 2,488,555
Retrospective Premium Adjustment*	510,635	-	-	-	-	-	-	-	-
Miscellaneous	-	-	47,329	-	-	-	-	-	-
Total Operating Revenues	1,485,472	1,516,215	1,589,424	1,988,555	2,088,555	2,188,555	2,288,555	2,388,555	2,488,555
Operating Expenses									
Premium	1,179,280	1,516,215	1,295,414	1,440,322	1,555,548	1,679,992	1,814,392	1,959,544	2,116,308
Deductible Claims & Losses	2,845	-	20,664	100,000	100,000	100,000	100,000	100,000	100,000
Retrospective Premium Adjustment*	-	-	281,825	-	-	-	-	-	-
Annual Premium Adjustment**	263,640	-	49,338	-	-	-	-	-	-
Total Operating Expenses	1,445,765	1,516,215	1,647,241	1,540,322	1,655,548	1,779,992	1,914,392	2,059,544	2,216,308
Operating Income (Loss)	39,707	-	(57,817)	448,233	433,007	408,563	374,163	329,011	272,247
Nonoperating Revenues (Expenses)									
Investment Earnings	(39,384)	-	2,171	-	-	-	-	-	-
Total Nonoperating	(39,384)	-	2,171	-	-	-	-	-	-
Income (Loss) Before Transfers	323	-	(55,646)	448,233	433,007	408,563	374,163	329,011	272,247
Transfers									
Transfers In From General Fund	850,000	-	-	-	-	-	-	-	-
Transfers In From Strategic Priorities Fund	1,000,000	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Transfers	1,850,000	-	-	-	-	-	-	-	-
Change in Net Position	1,850,323	-	(55,646)	448,233	433,007	408,563	374,163	329,011	272,247
Net Position, January 1	(1,881,061)	(30,738)	(30,738)	(86,384)	361,849	794,856	1,203,419	1,577,582	1,906,593
Net Position, December 31	(30,738)	(30,738)	(86,384)	361,849	794,856	1,203,419	1,577,582	1,906,593	2,178,840
Cash Balance, December 31	$ (26,858)	$ (26,858)	$ (81,009)	$ 421,375	$ 854,382	$ 1,262,945	$ 1,637,108	$ 1,591,956	$ 1,909,355

*Based on actual performance for years retrospective plan was selected; not budgeted due unknown outcomes

**Based on actual payroll data compared to anticipated salary data provied when premium was established; not budgeted due unknown outcomes

City of Blaine, Minnesota
Compensated Absences Fund - 703
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services	$ 155,439	$ 161,000	$ 161,000	161,000	$ 193,000	$ 231,600	$ 277,900	$ 333,500	$ 400,200
Total Operating Revenues	155,439	161,000	161,000	161,000	193,000	231,600	277,900	333,500	400,200
Operating Expenses									
Post-Employment Benefit*	439,300	512,000	1,011,009	275,000	288,750	307,519	327,507	348,795	371,467
Total Operating Expenses	439,300	512,000	1,011,009	275,000	288,750	307,519	327,507	348,795	371,467
Operating Income (Loss)	(283,861)	(351,000)	(850,009)	(114,000)	(95,750)	(75,919)	(49,607)	(15,295)	28,733
Nonoperating Revenues (Expenses)									
Investment Earnings	71,882	-	44,456	-	-	-	-	-	-
Total Nonoperating	71,882	-	44,456	-	-	-	-	-	-
Income (Loss) Before Transfers	(211,979)	(351,000)	(805,553)	(114,000)	(95,750)	(75,919)	(49,607)	(15,295)	28,733
Transfers									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers In From Strategic Priorities Fund	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Transfers	-	-	-	-	-	-	-	-	-
Change in Net Position	(211,979)	(351,000)	(805,553)	(114,000)	(95,750)	(75,919)	(49,607)	(15,295)	28,733
Net Position, January 1	(1,477,009)	(1,688,988)	(1,688,988)	(2,039,988)	(2,153,988)	(2,249,738)	(2,325,657)	(2,375,264)	(2,390,560)
Net Position, December 31	(1,688,988)	(2,039,988)	(2,494,541)	(2,153,988)	(2,249,738)	(2,325,657)	(2,375,264)	(2,390,560)	(2,361,827)
Cash Reconcilliation									
Remove Accrued Post Employment Benefit Cost	(439,300)	(512,000)	(740,103)	(275,000)	(288,750)	(307,519)	(327,507)	(348,795)	(371,467)
Add Post-Employment Payouts	294,199	275,000	270,906	288,750	303,188	318,347	334,264	350,977	368,526
Cash Balance, December 31	$ 1,330,624	$ 1,216,624	$ 1,267,621	$ 1,139,871	$ 1,029,684	$ 942,937	$ 886,572	$ 869,095	$ 900,769

*As an internal service fund the City is required to expense the change in city-wide leave balance; does not represent actual post-employment payouts

City of Blaine, Minnesota
Facilities Operating Fund - 711
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2023 Actual	2024 Adopted	2024 Actual	2025 Budget	2026 Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Operating Revenues									
Charges for Services*	$ 1,322,620	$ 1,696,330	$ 1,696,330	$ 1,770,939	$ 1,928,732	$ 2,092,674	$ 2,270,551	$ 2,463,548	$ 2,672,950
Miscellaneous	-	-	1,178	-	-	-	-	-	-
Total Operating Revenues	1,322,620	1,696,330	1,697,508	1,770,939	1,928,732	2,092,674	2,270,551	2,463,548	2,672,950
Operating Expenses**									
Personnel Services	327,346	426,208	420,364	452,598	472,293	495,908	520,703	520,703	546,738
Supplies	83,545	93,790	77,784	101,600	101,600	106,680	112,014	112,014	117,615
Contractual Services	739,762	922,720	734,718	972,285	984,300	1,033,515	1,085,191	1,085,191	1,139,451
Other Services & Charges	-	-	29,471	-	-	-	-	-	-
Capital Outlay	95,717	-	-	-	-	-	-	-	-
Total Operating Expenses	1,246,370	1,442,718	1,262,337	1,526,483	1,558,193	1,636,103	1,717,908	1,717,908	1,803,804
Operating Income (Loss)	76,250	253,612	435,171	244,456	370,539	456,571	552,643	745,640	869,146
Nonoperating Revenues (Expenses)									
Investment Earnings	57,062	500	40,523	12,500	12,500	12,500	12,500	12,500	12,500
Penalties & Interest	-	-	-	-	-	-	(47,000)	(47,000)	(47,000)
Total Nonoperating	57,062	500	40,523	12,500	12,500	12,500	(34,500)	(34,500)	(34,500)
Income (Loss) Before Transfers	133,312	254,112	475,694	256,956	383,039	469,071	518,143	711,140	834,646
Transfers									
Transfers In	-	-	-	-	-	-	-	-	-
Transfer Out to Facilities Capital	(105,682)	(195,045)	(195,045)	(817,843)	(575,000)	(575,000)	(575,000)	(575,000)	(575,000)
Total Transfers	(105,682)	(195,045)	(195,045)	(817,843)	(575,000)	(575,000)	(575,000)	(575,000)	(575,000)
Change in Net Position	27,630	59,067	280,649	(560,887)	(191,961)	(105,929)	(56,857)	136,140	259,646
Net Position, January 1	1,063,459	1,091,089	1,091,089	1,371,738	810,851	618,890	512,961	456,104	592,244
Net Position, December 31	1,091,089	1,150,156	1,371,738	810,851	618,890	512,961	456,104	592,244	851,890
Net Change in Cash									
Beginning Cash	1,192,508	1,141,459	1,141,459	1,429,080	868,193	676,232	570,303	335,446	293,586
Change in Net Position	27,630	59,067	280,649	(560,887)	(191,961)	(105,929)	(56,857)	136,140	259,646
Remove Debt Princial Paid	-	-	-	-	-	-	(178,000)	(178,000)	(178,000)
Cash Balance, December 31	$ 1,141,459	$ 1,200,526	$ 1,429,080	$ 868,193	$ 676,232	$ 570,303	$ 335,446	$ 293,586	$ 375,232

* Assumes an annual increase of 8.5% for 2026-2030
** Assumes an annual increase of 5.0% for 2026-2030

City of Blaine, Minnesota
Facilities Capital Fund - 416
Summary of Revenues, Expenditures, and Change in Fund Balance
2026 Budget - As of June 23, 2025

	2024 Budget	2024 Actual	2025 Budget	2026 CIP	2027 CIP	2028 CIP	2029 CIP	2030 CIP
Revenues								
Intergovernmental	$ 126,550	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment Earnings	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Total Revenues	126,550	-	1,000	1,000	1,000	1,000	1,000	1,000
Capital Outlay								
Boiler Replacement - Public Works	55,670	63,980	-	-	-	-	-	-
Overhead Garage Doors Replacement Public Works	107,600	94,657	140,000	53,800	-	-	-	-
Public Works Roof Repair & Maintenance Program	10,000	2,020	-	-	-	-	-	-
City Hall Proposed 7 Year Pavement Management Plan	3,200	-	-	-	-	-	-	-
PD Cold Storage Proposed 7 Year Pavement Management Plan	26,850	-	-	-	-	-	-	-
Replacement of Condensation Pumps for Boilers - Public Works	5,800	-	-	-	-	-	-	-
Unit Heater Replacement - Public Works	5,055	-	-	-	-	-	-	-
Public Works 7 Year Pavement Management Plan	61,700	-	-	-	-	-	-	-
Ballistic Glass at City Hall	124,970	41,657	83,313	-	-	-	-	-
Aquatore Bandshell Cameras	10,144	10,333	-	-	-	-	-	-
Building Automation (HVAC) at MAYC	22,300	21,110	-	-	-	-	-	-
Interior LED Lighting City Hall	32,385	11,000	-	-	-	-	-	-
Building Automation (HVAC) at PW	31,000	30,690	-	-	-	-	-	-
Fleet Manager Office	34,950	-	34,950	-	-	-	-	-
Fuel Island Repair PW	-	-	250,000	-	-	-	-	-
Roof Top A/C Unit For Fire Garage/Armory	-	-	10,580	-	-	-	-	-
Fluorescent Light Replacement Upgrade	-	-	-	250,000	-	-	-	-
Ventilation System Evidence Area City Hall Police Department	-	-	-	100,000	-	-	-	-
ADA Compliance Updates	-	-	-	25,000	25,000	25,000	25,000	25,000
Hot Water Heater Public Works	-	-	-	20,000	-	-	-	-
Parking & Storage Facility City Hall	-	-	-	-	1,750,000	-	-	-
Furniture Cloverleaf Room City Hall	-	-	-	-	45,000	-	-	-
Carpet Replacement City Hall	-	-	-	-	75,000	-	75,000	-
Gas Hanging Heater Public Works	-	-	-	-	20,000	-	-	-
Cold Garage Floor Repair City Hall	-	-	-	-	-	200,000	-	-
New Security Gate Public Works	-	-	-	-	-	90,000	-	-
Carpet Replacement Public Works	-	-	-	-	-	75,000	-	-
Water Softener Public Works	-	-	-	-	-	50,000	-	-
New Roof Original Building Public Works	-	-	-	-	-	-	900,000	-
Parking Lot Rehabilitation City Hall	-	-	-	-	-	-	500,000	-
Hot Water Heaters MAYC	-	-	-	-	-	-	50,000	-
Water Softener City Hall	-	-	-	-	-	-	25,000	-
Secure Police Gate City Hall	-	-	-	-	-	-	-	50,000
3rd Floor Window Tinting City Hall	-	-	-	-	-	-	-	30,000
Total Capital Outlay	531,624	275,447	518,843	448,800	1,915,000	440,000	1,575,000	105,000
Revenues Over (Under) Expenditures	(405,074)	(275,447)	(517,843)	(447,800)	(1,914,000)	(439,000)	(1,574,000)	(104,000)
Other Financing Sources (Uses)								
Transfers In From Facilities Operating	195,045	195,045	817,843	600,000	600,000	600,000	600,000	600,000
Transfers In From General Fund	-	34,950	-	-	-	-	-	-
Transfers In From Capital Improvements Fund	-	135,114	-	-	-	-	-	-
Transfers In From Communications Fund	-	-	-	-	-	-	-	-
GO Bond Proceeds	-	-	-	-	1,750,000	-	-	-
Transfer Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	195,045	365,109	817,843	600,000	2,350,000	600,000	600,000	600,000
Net Change in Fund Balance	(210,029)	89,662	300,000	152,200	436,000	161,000	(974,000)	496,000
Fund Balance, January 1	-	-	89,662	389,662	541,862	977,862	1,138,862	164,862
Fund Balance, December 31	(210,029)	89,662	389,662	541,862	977,862	1,138,862	164,862	660,862
Cash Balance, December 31	$ (210,029)	$ 89,662	$ 389,662	$ 541,862	$ 977,862	$ 1,138,862	$ 164,862	$ 660,862

2026-2030 Capital Improvement Plan
Facilities Fund

416 - Facilities Capital Fund

3rd Floor Window Tinting City Hall – 2030

- $30,000
- Add window tinting to 3rd floor City Hall.
- Window tinting will help with energy reduction, keeping offices cooler, and reducing how often the air conditioning runs.

ADA Compliance Updates - Ongoing

- $25,000 Annually
- ADA compliance.
- The city hired a company to evaluate ADA compliance since the city hall remodel. The evaluation will assist with safety needs for employees within the buildings and the parking lots, including handicap parking options. The company will evaluate compliance and provide a list of items, rating them by color (red, yellow and green) in the order they should be corrected. They will also provide a letter to prove we are diligently working towards ADA compliance.

Carpet Replacement City Hall – 2027/2029

- $75,000 each year
- Carpet replacement at City Hall.
- The City Hall is 20 years old; Carpet has only been changed once in each area of the building. Commercial typically lasts 8-15 years under normal conditions. This is the start of a carpet replacement program.

Carpet Replacement Public Works - 2028

- $75,000
- Replace carpet at Public Works.
- The Public Works addition is 16 years old; the carpet has not been changed. Commercial typically lasts 8-15 years under normal conditions. This is the start of a carpet replacement program.

Cold Garage Floor Repair City Hall - 2028

- $200,000
- City Hall cold garage floor needs to be refurbished.
- The refurbish is a result of when the City Hall cold garage was built in 2001. Trench drains were not installed for water runoff. The concrete was never coated with sealant of any kind after the install and the garage was never heated to help evaporate the water, making the salt stagnant on the floor eating away at the concrete.

Fluorescent Light Replacement Upgrade - 2026

- $250,000
- Effective January 1, 2026, fluorescent light bulbs will not be sold in Minnesota due to state law changes.
- Fluorescent light bulbs are currently in all six of the city buildings, burnt out bulbs could cause disruption. Project Includes replacing the fluorescent light bulbs with LED bulbs as well as the fixtures, switches, including but not limited to 3-way switches that will not convert, programming for automated lights.

Furniture Cloverleaf Room City Hall - 2027

- $45,000
- New tables and chairs in the Cloverleaf room at City Hall.
- The tables and chairs in the Cloverleaf room came from the old City Hall and the edges are starting to chip. The chipped edges have given staff and visitors slivers as well as snagged clothing. The weight of the tables creates a safety concern when employees need to move them.

Gas Hanging Heater Public Works - 2027

- $20,000
- Replace hanging gas heater at Public Works.

- Gas heaters are prone to failing and typically need to be replaced every 5 years. There are several of them located at Public Works, they have started to fail and need to be replaced since this is a non-rebuildable unit. This is the start of the replacement of all gas heaters located at Public Works.

Hot Water Heater Public Works - 2026

- $20,000
- Install new hot water heater at Public Works.
- There are two water heaters at the public works facility. One was recently replaced and the other is beyond its estimated life and anticipated to fail soon. If it were to fail like the one that was recently replaced, it could cause more damage to the building and work tools.

Hot Water Heaters MAYC - 2029

- $50,000
- Replace hot water heaters at the Mary Ann Young Center.
- Hot water heaters typical lifespan is 10 - 15 years. This will be the start of getting hot water heaters in a life cycle plan for replacement before they have a catastrophic failure and cause damage to the facility.

New Roof Original Building Public Works - 2029

- $900,000
- Install a new roof for the original portion of the Public Works building.
- The original roof is older than 20 years; commercial roofing, such as what is installed at Public Works typically has a life span of 20-25 years. We are approaching the end of our maintenance program for the roof repairs at Public Works, which are starting to cost more to repair than what has been budgeted.

New Security Gate Public Works - 2028

- $90,000
- Additional new security gate at Public Works.
- This gate would add security for Public Works by eliminating the cut through road while Public Works is closed.

Overhead Garage Doors Replacement Public Works – 2024-2026

- $53,800
- Replace existing overhead doors.
- Install new insulated doors with high-speed operators. There are a total of five doors that need to be replaced. Proposing to replace two doors in 2024, two doors in 2025, and the remaining door in 2026. The new doors are more energy efficient by opening and closing faster and they have a higher R value. They would be safer than the old doors with newer safety features and are less likely to get hit by a vehicle coming in/out. There is less maintenance on these doors. Staff currently replaces springs on two garage doors approximately every year at a cost of $2,500 per door. The best springs available are rated for 20,000 cycles, or about a year's worth of use. Broken springs typically cause the door to be out of commission for 1-2 weeks, if we have an extra set on hand, otherwise it can be upwards of 6 weeks or more to get new springs. The new doors do not have springs. A light curtain comes standard in these doors as an added safety feature. The public works garage doors open and close approximately 80 + times per day. Typically, $35,000/year is spent on garage door maintenance and repairs.

Parking Lot Rehabilitation City Hall - 2029

- $500,000
- Remove and replace parking lots at City Hall.
- The parking lots at City Hall are 20 years old. There are areas that undermining has and is occurring; this work would fix that problem and restore our parking lots. ADA accommodations will need to be met with this project.

2026-2030 Capital Improvement Plan
Facilities Fund

Parking & Storage Facility City Hall – 2027

- $1,750,000
- The current city hall and police department building was designed and built in the late 1990s. The city has outgrown the current garages and leaders are recommending the addition of a second garage with additional storage be constructed soon, to address current and future needs.
- The new garage/storage facility would be a secure, single-story surface garage with access to the existing parking lot. Due to the multitude of sensitive electronic equipped in the newer police and emergency vehicles, the new garage should be at least partially heated with possible electric hookups for each emergency vehicle in this area of the garage. The storage area for the electronic equipment will need to be separated from the rest of the garage/storage area with additional security doors as well as fully environmentally controlled (heating and cooling). The other storage area will need easy access for vehicles to be loaded and unloaded daily.

Secure Police Gate City Hall - 2030

- $50,000
- Replace the gate leading into the secure police parking area at City Hall.
- The gate leading into the secure police parking is five years old and has an estimated 140,000 cycles remaining. There are approximately 70,000 cycles a year on the gate. Several repairs have been made over the years. The gate shows signs of wear and welds are cracking. The gate contactor is recommending replacement of the gate.

Water Softener City Hall - 2029

- $25,000
- Replace water softener at City Hall.
- The City Hall water softener was installed with the building in 2001 and has a life cycle of 20 years. We had the unit rebuilt in 2023 and it was recommended by Commers Water that in the next few years a replacement should be in order since our medium is starting to run out and medium is non-replaceable.

Water Softener Public Works - 2028

- $50,000
- Replace water softener at Public Works
- The Public Works water softener was installed with the building in 2008 and has an estimated life cycle of 20 years. Vendors have recommended this replacement since our medium is starting to run out and medium is non-replaceable.

Ventilation System Evidence Area City Hall Police Department – 2026

- $100,000
- Design of a drug storage area should include a “negative pressure” ventilation system that changes the air in the storage room a minimum of 7 CPH (changes per hour).
- Evidence rooms can become contaminated over time by fumes, odors, or airborne particulates/pathogens from confiscated substances, particularly when drug evidence is stored in stacked boxes and bags located in musty basements with poor ventilation. Police department employees face possible health effects from exposure to the fumes from drugs such as but not limited to marijuana and fentanyl.