City of Blaine
City Council Workshop

November 3, 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. 2025-239 Delegation Update - Senator Kreun
Sponsors: Erik Thorvig, City Manager

3.2. 2025-240 2026 Budget; Truth-in-Taxation
Sponsors: Jason Zimmerman, Finance Director

4. Other Business

5. Adjournment

City of Blaine
Staff Report

File Number: 2025-239

Agenda Date	Status
November 3, 2025	
In Control	**File Type**
City Council	Workshop Item

New Business - Erik Thorvig, City Manager

Agenda Item # 3.1

Delegation Update - Senator Kreun

Background

Senator Kreun will present council with a legislative recap and look-ahead. Staff will also seek to have Representatives Norris and West present before the end of the year.

Staff Recommendation

Questions for Council

Attachment List

None

City of Blaine
Staff Report

File Number: 2025-240

Agenda Date	Status
November 3, 2025	
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City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.2

2026 Budget; Truth-in-Taxation Preview

Background

Budget Preparation

The budgetary process began with Finance Department staff conducting small group discussions with all members of the Council during the second week of April to provide measured assumptions that incorporated operating, capital, and debt funding strategies as outlined in previous budgetary cycles while maintaining existing staffing and service levels at anticipated 2026 costs. An outcome of these small group meetings was the creation of a policy-driven framework containing key themes, goals, and expectations for the 2026 budget and property tax levy, which was informally supported by the majority of the Council at the April 14 Workshop. These items included:

- Equitable compensation for city staff
- Preserve existing complement of full-time staffing
- Prioritize new funding for capital investments
- Sufficient resources for internal service funds
- Connect budget requests to the strategic plan
- Evaluate non-personnel-related expenditures
- Leverage unrestricted reserves to fund non-reoccurring requests
- Maintain posture to incentivize development/redevelopment
- Reduce reliance on the property tax levy

The conditions outlined above were then incorporated into the messaging used to communicate expectations of staff as they entered their department's requested budgets, which were required to be approved by department heads and submitted to finance by May 9. These departmental requests were then evaluated, discussed, and further adjusted to ensure compliance with the directions provided by City Council and to maintain a consistent fiscal approach city-wide. At the June 9 Workshop, staff presented a revised budget that would have required a $55,300,000 tax levy, which represented an increase of $5,964,000 or 12.1 percent. Despite this increase falling in line with the estimates presented to Council during the small group discussions in early April, staff made considerable efforts to comply with established guidance. Early departmental inputs put the estimated tax levy at an increase of approximately 11.2 percent, but subsequent requests from the Information Technology division have increased the departmental requested tax levy back to the same framework discussed in small groups.

Proposed Budget and Tax Levy

While the responsibility of adopting the budget is that of the City Council, Blaine Charter Sec 7.05 specifies: "The city manager shall prepare the estimates for the annual budget of the general fund. Estimates may be prepared for other funds as deemed necessary by the city manager or the city council. The city manager shall submit with the estimate such explanatory statements as such manager may deem necessary". Providing the City Council, staff, and the public with a budget which provides the financial blueprint to carry out the city's strategic plan while outlining the true cost of delivering municipal services is one of the core duties the City Manager is expected to perform annually. Effectively managing the budgetary process is paramount for transparency, accountability, and successful financial governance.

In response to the feedback received at the June 9 Workshop, the City Manager requested a multi-layer approach to reduce the tax levy and impacts on property owners.

1. <u>Budget Reduction Exercise</u>: On June 10, staff were directed to work on reducing budget requests, specifically on non-mandated line items. Additionally, staff were requested to enhance the itemization and justification for each budget request, helping ensure service continuity and accountability. Between June 24 and July 2, each department, along with Finance staff and the City Manager, reviewed updated budget proposals. Within the General Fund, more than 600 budget codes were analyzed, resulting in the reduction of 109 lines. *Levy reduction = $181,000.*
2. <u>Alternative Funding</u>: In conjunction with the budget reduction exercise, staff were asked to pursue opportunities that would allocate costs to non-levy-supported funds. While few options materialized, it was recommended that the city newsletter be reallocated to the Communications Fund, which is supported by cable franchise fees. With few annual expenses, this model is expected to be sustainable through 2027 under the current model. *Levy reduction = $46,000.*
3. <u>Staffing Adjustment</u>: Over the last several years, each budget cycle has resulted in the police department adding two additional licensed officers. Given the current 2026 proposal includes no new staff, the police department is requesting the reclassification of an existing vacant evidence technician position into a patrol officer. This request is included to assist with managing call volume and improving response time. *Levy increase = $60,000.*
4. <u>One-Time Requests</u>: As a general budgetary strategy, best practices suggest that one-time requests be separated from ongoing operational costs. As part of the broader budget analysis, the following list could potentially be funded by unrestricted reserves. It's important to note that the items recommended are truly isolated and won't cause deficits in future years. *Levy reduction = $353,000*
    - Pavement Condition Index Analysis - $125,000
    - Replace rusted and rotting doors at Happy Acres and Aurelia Parks - $35,000
    - Provide irrigation clock upgrades that will include remote operation, allowing staff to improve irrigation schedules and reduce water usage - $10,000
    - Buy down final levy year for 2016A bonds - $183,000

5. <u>2025 Capital Equipment Purchases</u>: The 2025 budget called for approximately $3.0 million of capital equipment, with over $2.5 million to be funded through equipment certificates, which are a form of debt. Staff recommend utilizing unrestricted General Fund reserves from fiscal year 2024 to pay for these purchases in lieu of bonding. This recommendation is being made based on prior Council direction to reduce borrowing when possible and the use of these funds doesn't create additional spending, as these commitments were previously authorized. *Levy reduction = $550,000*

In accordance with the state statutes, on September 3, the Council voted to support the City Manager's recommendation and set the proposed city-based total tax levy at $54,230,000, which represents an increase of $4,894,000 or 9.9 percent over 2025 values. After that approval, the preliminary budget can still be changed and the levy can be reduced, but not increased, prior to adopting the final budget and levy in December. Best practice is to adopt a preliminary levy that provides adequate flexibility for the council to react to changing economic conditions and needs of the community, while at the same time, setting a realistic target that demonstrates the efforts put forward throughout the budget process.

City Levy History						
Levy Item	2022 Levy	2023 Levy	2024 Levy	2025 Levy	2026 Department Requested Levy (June)	2026 City Council Proposed Levy (September)
Operating	$29,350,000	$31,712,000	$36,385,585	$39,547,598	$43,451,487	$43,239,487
Capital	$450,000	$600,000	$200,000	$1,769,752	$2,890,360	$2,765,360
Debt	$4,800,000	$4,800,000	$6,324,015	$8,018,650	$8,958,153	$8,225,153
Total	$34,600,000	$37,112,000	$42,909,600	$49,336,000	$55,300,000	$54,230,000

Proposed Property Tax Levy and Truth-in-Taxation

Upon certification to the County Auditor, the proposed levy will be used to prepare the Proposed Property Tax Notice, also known as the Truth-in-Taxation (TNT) Notice. This notice is required to be mailed to property owners between November 11 and November 24 of each year and includes parcel-specific estimated property taxes payable in the following year, should each taxing jurisdiction approve their levies as proposed.

Notices are provided for 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.

Consistent with legislation enacted during the 2023 Legislative session, the 2026 Proposed Property Tax Notice is required to include a Supplemental Budget Information Form containing the overall change in levy for the county, each city, and each school district in the county to be included on the statement. These parcel-specific notices must also include the actual 2025 and proposed 2026 taxes for the county, city, school district, Metropolitan Special Taxing Districts, and other special taxing districts.

Following the adoption of the preliminary levy, 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 are required to conduct a public meeting between November 25 and December 30 to discuss the property tax levy and allow for public comment. The budget calendar calls for the city to conduct the Truth-in-Taxation (TNT) meeting on December 1, 2025, and adopt the final tax levy at the December 15, 2025, City Council meeting. Holding the TNT meeting on a separate night from the final tax levy adoption ensures public engagement and transparency, as this two-step process provides a crucial opportunity for residents to voice their concerns and for the City Council to consider that feedback before making a final decision.

Property Values

Property values in the city are determined by the County Assessor's Office (Anoka and Ramsey). Overall, in total, property values in Blaine are increasing 4.38 percent, with 1.75 percent coming from new construction and an increase of 2.63 percent coming from existing properties. The valuations for residential properties are set to increase overall, 4.89 percent for pay 2026, and the commercial property values are increasing 4.47 percent overall. The apartment property class is showing a reduction of 5.57 percent, which is not unexpected and is consistent with the value trends of this property classification type across the seven-county metro area. Due to this reduction, we expect the tax burden to shift toward the residential and commercial property classes. *While these values are not final and fluctuate throughout the year, they serve as a good indicator of trend data.*

Assessed Market Value Trends					
Property Type	**’24 p ’25 Total Value**	**’25 p ’26 Total New Construction**	**’25 p ’26 Total Appreciation**	**’25 p ’26 Total Value**	**’25 to ’26 % Chg**
Residential	$8,816,417,300	$175,966,200	$255,479,900	$9,247,863,400	4.89%
Personal Property	$117,464,500	$6,405,900	$14,610,800	$138,481,200	17.89%
Agricultural	$15,501,900	-	($300)	$15,501,600	0.00%
Apartments	$622,436,700	$2,991,300	($37,658,200)	$587,769,800	-5.57%
Commercial/Industrial	$1,805,802,800	$14,287,000	$66,462,100	$1,886,551,900	4.47%
Total	$11,377,623,200	$199,650,400	$298,894,300	$11,876,167,900	4.38%

Overall, the city remains highly desirable, driving above-average appreciation of existing property and significant investment by developers. By maintaining a well-balanced mix of property types, the city is well positioned to manage the changing landscape of consumer preferences and market fluctuations.

Property Taxes on the Median Valued Residential Property

At the above levy amounts, the median valued residential property in Blaine is $346,000, which is an increase of 3.38 percent in value. Median valued properties will see their estimate of the city’s share of their annual property tax bill increase of $112.63 or 9.26 percent. This equates to a monthly increase of $9.39. The following table provides a breakdown of the taxes on each of the levy components, assisting users in understanding the tax impacts on the median valued home of each of the levy components.

Purpose	2025	Proposed 2026	Difference	% Change
Public Safety	$524.49	$561.07	$36.58	6.97%
Public Works & Recreation	$281.11	$300.48	$19.37	6.89%
General Operations	$169.15	$198.10	$28.95	17.11%
Capital	$43.81	$67.81	$24.00	54.78%
Debt	$198.39	$202.09	$3.73	1.87%
Total	$1,216.92	$1,329.55	$112.63	9.26%

Staff believes that the levy as presented accomplishes a number of important objectives:

- Focusing on essential city services
- Reducing the reliance of debt to finance capital projects
- Maintaining a high quality city-operated Police Department
- Investing in modern technology to improve services and increase productivity
- Continuing to fund annual street reconstruction/maintenance projects
- Enhancing city parks, trails, open spaces, and facilities
- Fostering an efficient and transparent government
- Promoting citizen engagement
- Embracing innovative ways to improve customer service

Note: The presentation will be uploaded by noon on November 3.

Remaining Budget Schedule:

~~February 10~~	~~Budget Kick-off~~
~~March 10~~	~~Budget Key Dates Discussed~~
~~April 1 - 11~~	~~Small Group Meetings with Mayor and Councilmembers~~
~~April 14~~	~~Review of Small Group Meetings; Outcomes and Council Direction~~
~~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 3~~	~~Reserved for Budget Review if needed / Parks Capital Improvement Plan~~
~~September 15~~	~~Adopt Proposed General Fund, EDA, and Capital Budgets and Tax Levy~~
~~September 29~~	~~Utilities and Refuse Funds *(Budget Retreat – 5th Monday)*~~
~~October 6~~	~~Charitable Gambling and Communications Funds~~
~~October 20~~	~~Review Charitable Gambling Fund Scoring~~
November 3	Review General Fund, EDA, and Capital Budgets and Tax Levy
December 1	Truth-in-Taxation Public Meeting
December 15	Adopt Final General Fund, EDA, and Capital Budgets and Tax Levy

Staff Recommendation

Questions for Council

Attachment List

1. 2026 Budget Presentation
2. 2026 Truth-in-Taxation Sample Notice
3. 2026 Levy Exhibits
4. 2026 General Fund Summary

2026 Budget; Truth-in-Taxation

City Council Workshop| Finance

11/3/2025

General Property Tax Timeline

January
Property values are established for next year's taxes

February
Value notices are mailed

March
Property tax statements are mailed for current year

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

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

November
Proposed tax statements are mailed; 2nd half property taxes due to County Auditor

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

Proposed to Final Levy Adoption

September 30

Certify proposed tax levy to County Auditor

November 10-24

County sends proposed tax notices

November 29 – December 20

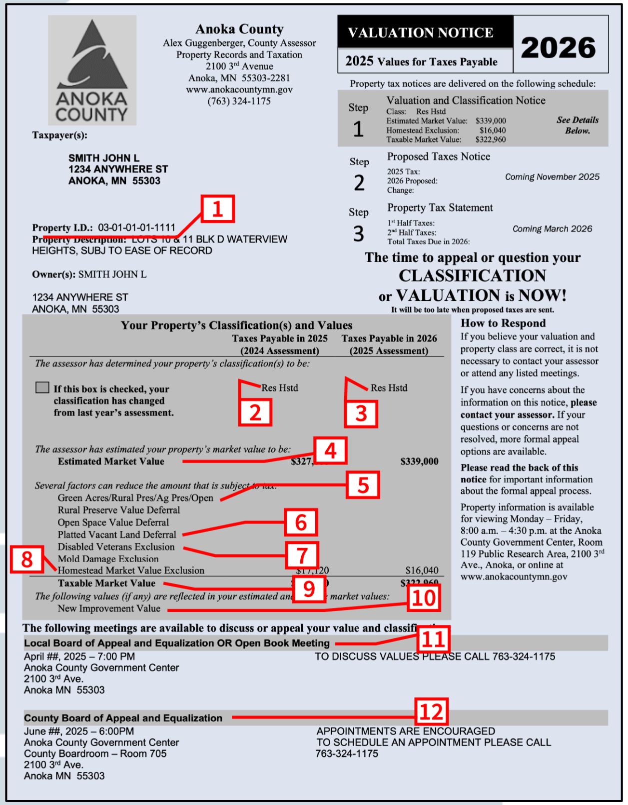
Public Budget (Truth-in-Taxation) Meetings are held

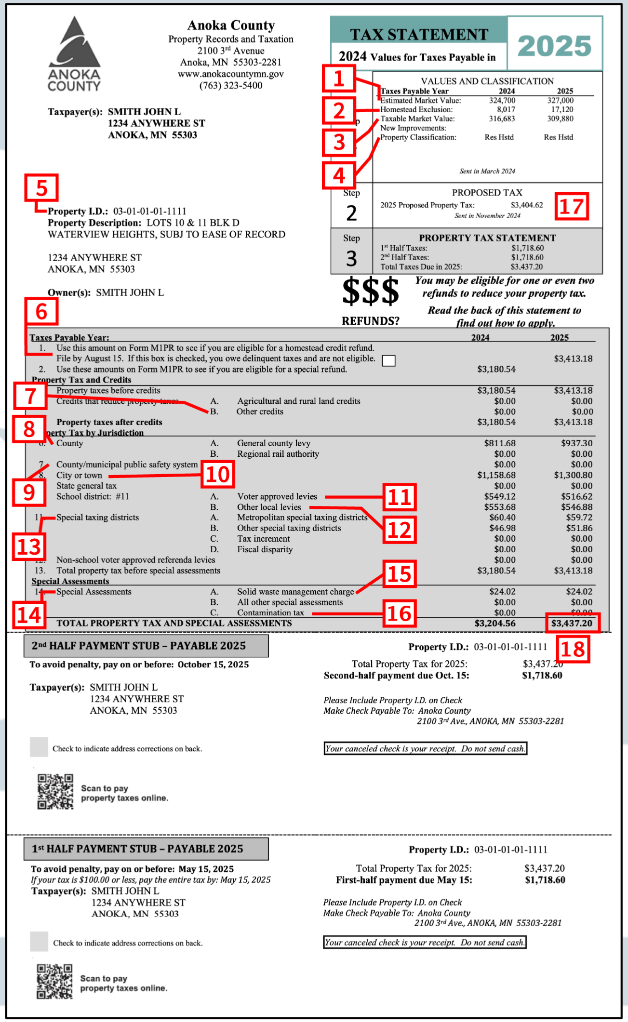
Within 5 days of December 20

Certify final tax levies to County Auditor

Minnesota Property Tax

- Complex system
- Fiscal Disparities impact on commercial values post 1971
- Mill Rate phased out in and transitioned to Tax Capacity in 1988
- Class rates, TIF, exclusions





Taxing Jurisdictions

- Counties
- Cities/Townships
- School Districts
- State of Minnesota
- Special Taxing Authorities

Blaine UTA's

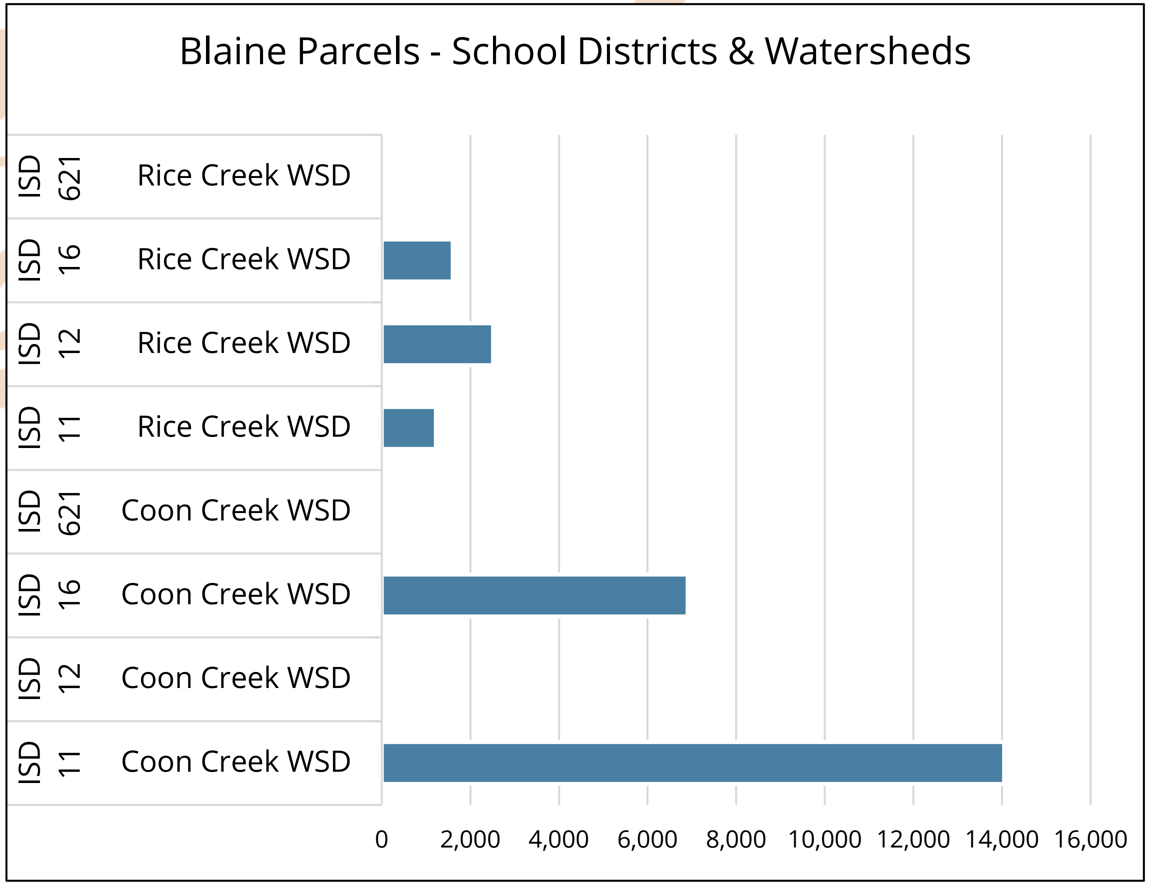
- UTA = Unique Taxing Area
- A geographical region in which all properties are subject to the same set of local tax rates
- For the 2025 tax year Blaine has 15 different UTAs

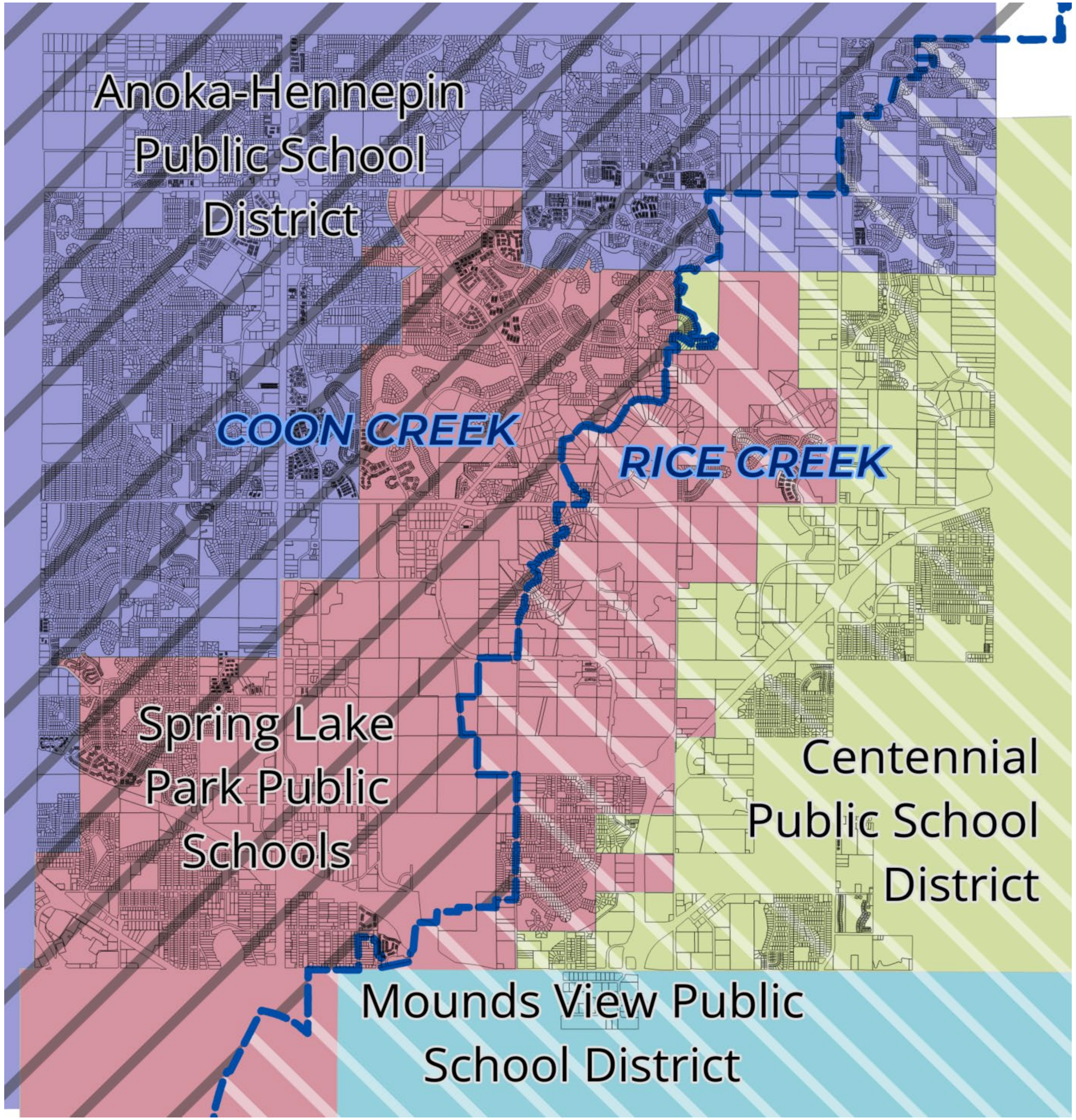
ANOKA COUNTY, MN.

Municipality	Fis. Disp Ratio	Dist Code	U.T.A.	County	County w/RRA	City/ Twp	Voter Apprvd	Other	School District	Metro Council	Metro Transit District	Metro Transit Area	Metro Mosq.	Total Met Agenc	Water- Shed
Blaine	0.357281	2	02011F	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%
		3	02011H	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%
		4	03011A	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%
		5	04011B	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	1.551%
		7	06012B	30.245%	30.245%	38.232%	11.490%	13.672%	25.162%	0.560%	1.039%		0.328%	1.927%	1.551%
		1030	07012A	30.245%	30.245%	38.232%	11.490%	13.672%	25.162%	0.560%	1.039%		0.328%	1.927%	2.219%
		11	09016F	30.245%	30.245%	38.232%	18.913%	7.640%	26.553%	0.560%	1.039%		0.328%	1.927%	2.219%
		12	09016H	30.245%	30.245%	38.232%	18.913%	7.640%	26.553%	0.560%	1.039%		0.328%	1.927%	2.219%
		13	10016A	30.245%	30.245%	38.232%	18.913%	7.640%	26.553%	0.560%	1.039%		0.328%	1.927%	2.219%
		14	11016B	30.245%	30.245%	38.232%	18.913%	7.640%	26.553%	0.560%	1.039%		0.328%	1.927%	1.551%
		105	67011A	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%
		106	68011A	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%
		107	69011A	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%
		108	70011A	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%
		109	71011A	30.245%	30.245%	38.232%	4.728%	8.870%	13.598%	0.560%	1.039%		0.328%	1.927%	2.219%

Dist Code	U.T.A.	City/ County HRA/EDA	Hosp Dist	County Reg Rail	County/ City Radio	Spec Dist wRRA	Spec Dist w/o RRA	Total Tax Cap. Based Rate	School Dist RMV Voter	School Dist RMV Other	Total SD MV Based Voter&Other	Total City Market Based	Total SD & City Mkt Rate	School Gen Debt Voter	School Gen Debt Other
2	02011F	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
3	02011H	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
4	03011A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
5	04011B	0.894%	0.000%	0.000%	0.000%	2.445%	2.445%	86.447%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
7	06012B	0.894%	0.000%	0.000%	0.000%	2.445%	2.445%	98.011%	0.11187%	0.09947%	0.21134%	0.00000%	0.21134%	11.490%	0.679%
1030	07012A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	98.679%	0.11187%	0.09947%	0.21134%	0.00000%	0.21134%	11.490%	0.679%
11	09016F	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	100.070%	0.01932%	0.09307%	0.11239%	0.00000%	0.11239%	15.977%	0.000%
12	09016H	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	100.070%	0.01932%	0.09307%	0.11239%	0.00000%	0.11239%	15.977%	0.000%
13	10016A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	100.070%	0.01932%	0.09307%	0.11239%	0.00000%	0.11239%	15.977%	0.000%
14	11016B	0.894%	0.000%	0.000%	0.000%	2.445%	2.445%	99.402%	0.01932%	0.09307%	0.11239%	0.00000%	0.11239%	15.977%	0.000%
105	67011A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
106	68011A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
107	69011A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
108	70011A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%
109	71011A	0.894%	0.000%	0.000%	0.000%	3.113%	3.113%	87.115%	0.11318%	0.08317%	0.19635%	0.00000%	0.19635%	3.187%	0.000%

Taxing Areas





Property Tax Roles

State Legislature

- Establishes property classes & class rates
- Determines levels of state aid
- Levies state business tax
- Sets levy limits

Taxing Authority

- Determines levy amount
  - (Overall budget & the portion to be raised through property taxes)

County Assessor

Anoka County

- Determines market value
- Assigns property class

Assessing Responsibility and Process

- County provides assessing services for Blaine.

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

- The estimated market values established through the 2025 assessment are based upon actual real estate market trends from **October 1, 2023 through September 30, 2024**. The 2025 assessed values are then used to calculate taxes payable for 2026.

Exempt Property Types

Cemeteries
Public Hospitals
Educational Institutions
Religious Institutions
Public Charities
Government Property
Transitional Housing
Wetland Native Prairies

The Property Tax Statement and Recent Legislative Changes

2026 Budget & Tax Levy

2025 Tax Statement

Statement Includes All Taxing Jurisdictions

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

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

TAX STATEMENT
2024 Values for Taxes Payable in 2025

Property ID Number: [redacted]

Taxpayer(s):
[redacted]

Property Description:
[redacted]

Property Address:
[redacted]

TCA: 03011A

Owner(s): [redacted]

	VALUES & CLASSIFICATIONS		
	Taxes Payable Year:	**2024**	**2025**
Step 1	Estimated Market Value:	331,400	334,700
	Homestead Exclusion:	7,414	16,427
	Taxable Market Value:	323,986	318,273
	New Improvements:		
	Property Classification:	RES HSTD	RES HSTD
	Sent in March 2024		
Step 2	**PROPOSED TAX**		
	Proposed Tax:		3,450.98
	Sent in November 2024		
Step 3	**PROPERTY TAX STATEMENT**		
	First half Taxes:		1,727.05
	Second half Taxes:		1,727.05
	Total Taxes Due in 2025 :		3,454.10

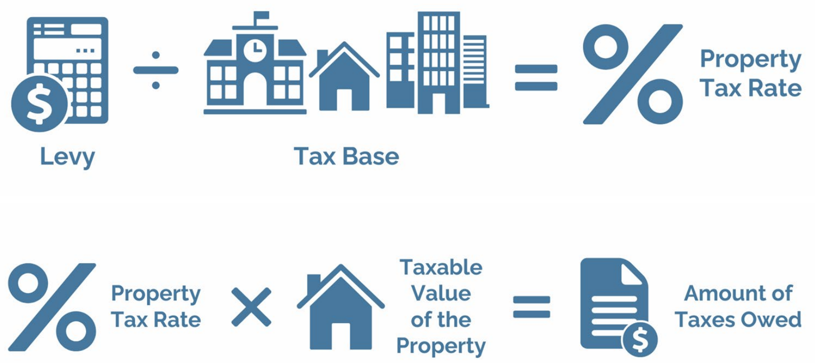
$$$ REFUNDS?

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

Taxes Payable Year:		**2024**	**2025**
1. Use this amount on Form M1PR to see if you are eligible for a homestead credit refund. File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. ☐			3,430.08
2. Use these amounts on Form M1PR to see if you are eligible for a special refund.		3,182.30	
Property Tax and Credits			
3. Property taxes before credits		3,182.30	3,430.08
4. Credits that reduce property taxes	A. Agricultural and rural land credits	0.00	0.00
	B. Other credits	0.00	0.00
5. PROPERTY TAXES AFTER CREDITS		3,182.30	3,430.08
Property Tax by Jurisdiction			
6. County	A. General county levy	830.38	962.70
	B. Regional rail authority	0.00	0.00
7. County/municipal public safety system		0.00	0.00
8. City or town		1,079.54	1,216.92
9. State general tax		0.00	0.00
10. School district 0011	A. Voter approved levies	560.82	529.30
	B. Other local levies	565.80	560.72
11. Special taxing districts	A. Metropolitan special taxing districts	61.80	61.34
	B. Other special taxing districts	83.96	99.10
	C. Tax increment	0.00	0.00
	D. Fiscal disparity	0.00	0.00
12. Non-school voter-approved referenda levies		0.00	0.00
13. Total property tax before special assessments		3,182.30	3,430.08
Special Assessments			
14. Special Assessments	A. Solid waste management charge	24.02	24.02
	B. All other special assessments	0.00	0.00
	C. Contamination tax	0.00	0.00
15. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS		3,206.32	3,454.10

Understanding Your Property Tax

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



EMV vs. TMV

- Differences between Estimated Market Value (EMV) and Taxable Market Value (TMV) include:
  - ***Homestead Market Value Exclusion***
  - Market Value Exclusion for a Veteran with a Disability
  - Blind/Disabled Homestead Classification
  - Homestead Property Damaged by Mold
  - Green Acres and Rural Preserve

Legislative Changes for Taxes Payable 2025

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

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

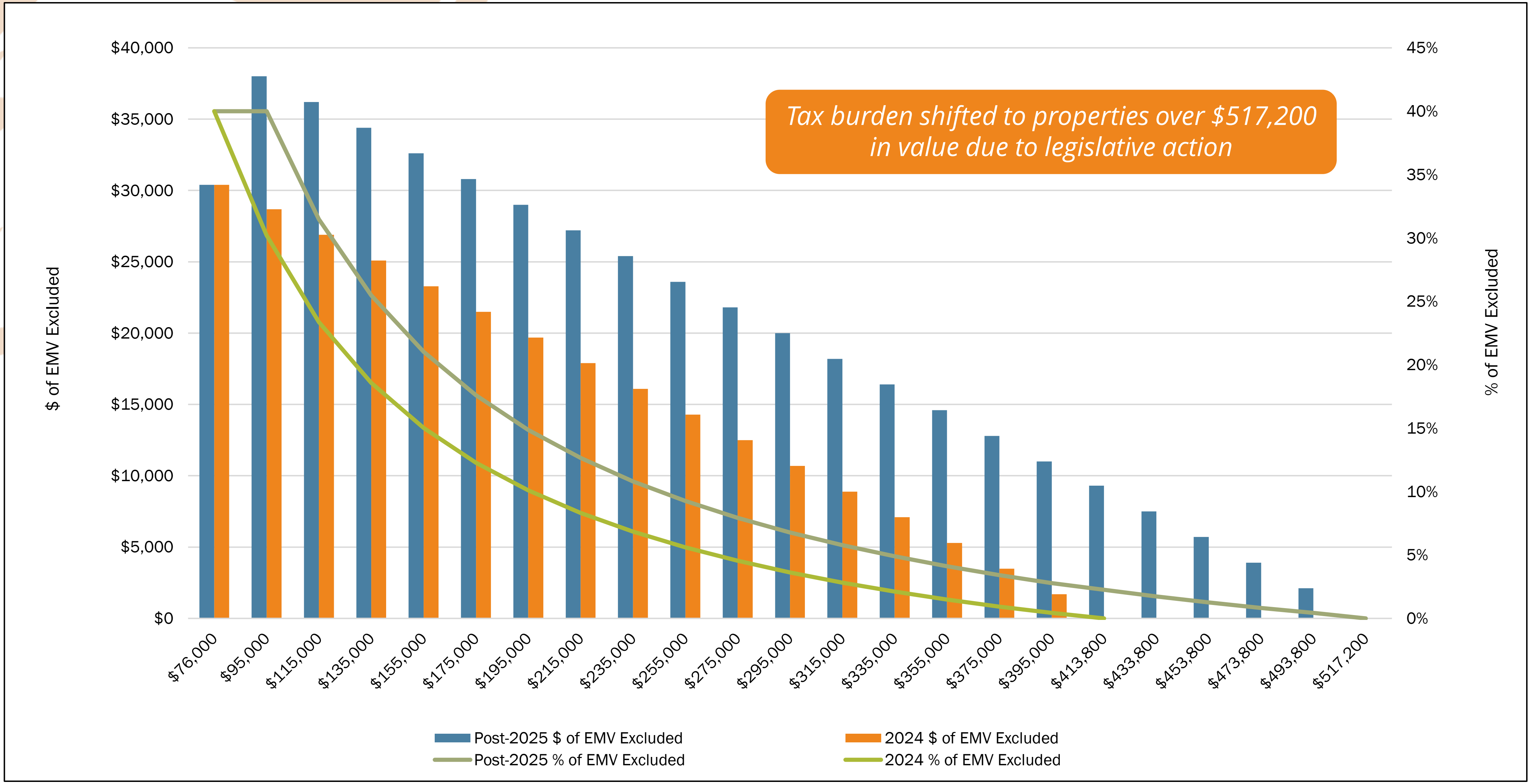
Class	Property Type (major property types only)	Pre-2025 Rate	Post-2025 Rate	Subject to State Tax?	Subject to School Operating Referendum Levies?
1	**Homestead**				
1a	Residential homestead				
	Up to $500,000	1.00%	1.00%	No	Yes
	Over $500,000	1.25%	1.25%	No	Yes
2	**Agricultural**				
2a	Agricultural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

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

Tax Class Rates

- Property in Minnesota is classified according to its use on January 2 of each year
- If not in use, it is classified according to it’s most probable use
- There are four common classes of property in the seven-county metro area
- Classes are set by state law
- **2023 Legislation reduced the class rate for 4d(1) property, causing taxes to shift onto other properties**

Homestead Market Value Exclusion



Property Values and Trends

2026 Budget & Tax Levy

Assessed 2025 Pay 2026 Est Market Values

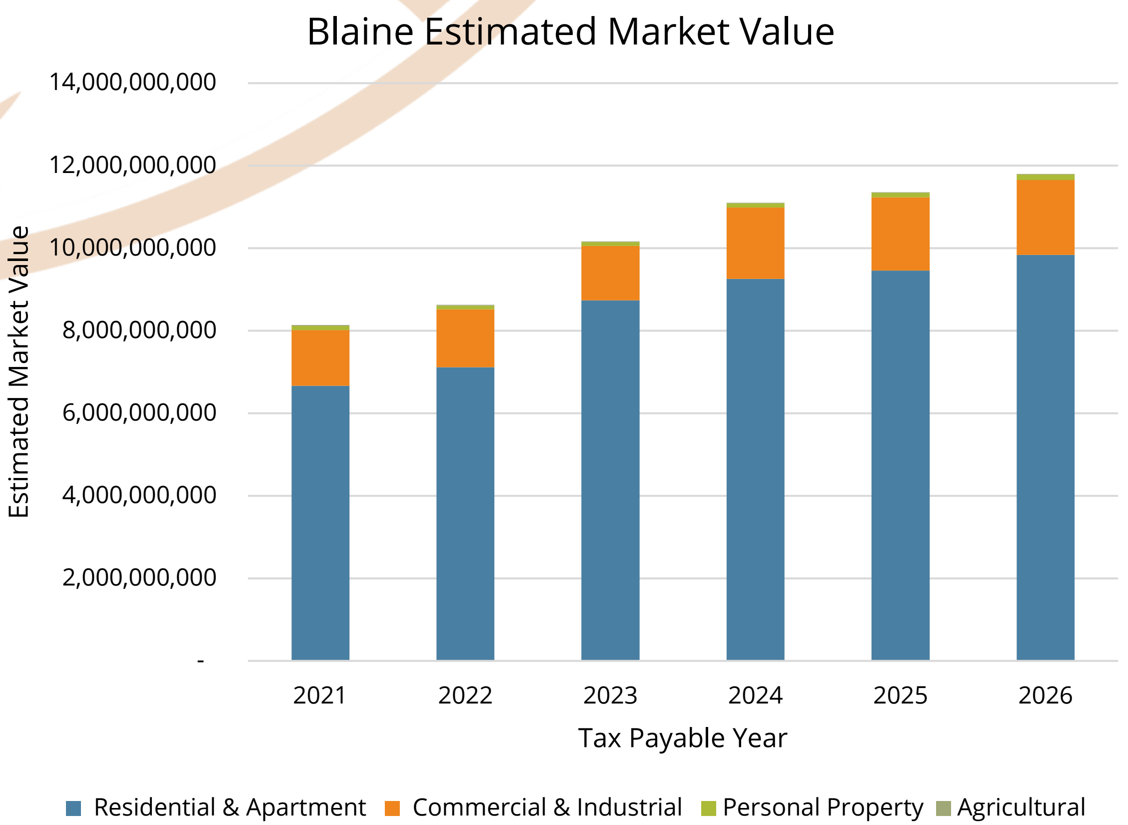
Property Type	’24 p ’25 Total Value	’25 p ’26 Total New Construction	’25 p ’26 Total Appreciation	’25 p ’26 Total Value	’25 to ’26 % Chg
Residential*	$8,816,417,300	$175,966,200	$255,479,900	$9,247,863,400	4.89%
Personal Property	$117,464,500	$6,405,900	$14,610,800	$138,481,200	17.89%
Agricultural	$15,501,900	$0	($300)	$15,501,600	0.00%
Apartments	$622,436,700	$2,991,300	($37,658,200)	$587,769,800	-5.57%
Commercial/Industrial	$1,805,802,800	$14,287,000	$66,462,100	$1,886,551,900	4.47%
Total	$11,377,623,200	$199,650,400	$298,894,300	$11,876,167,900	4.38%

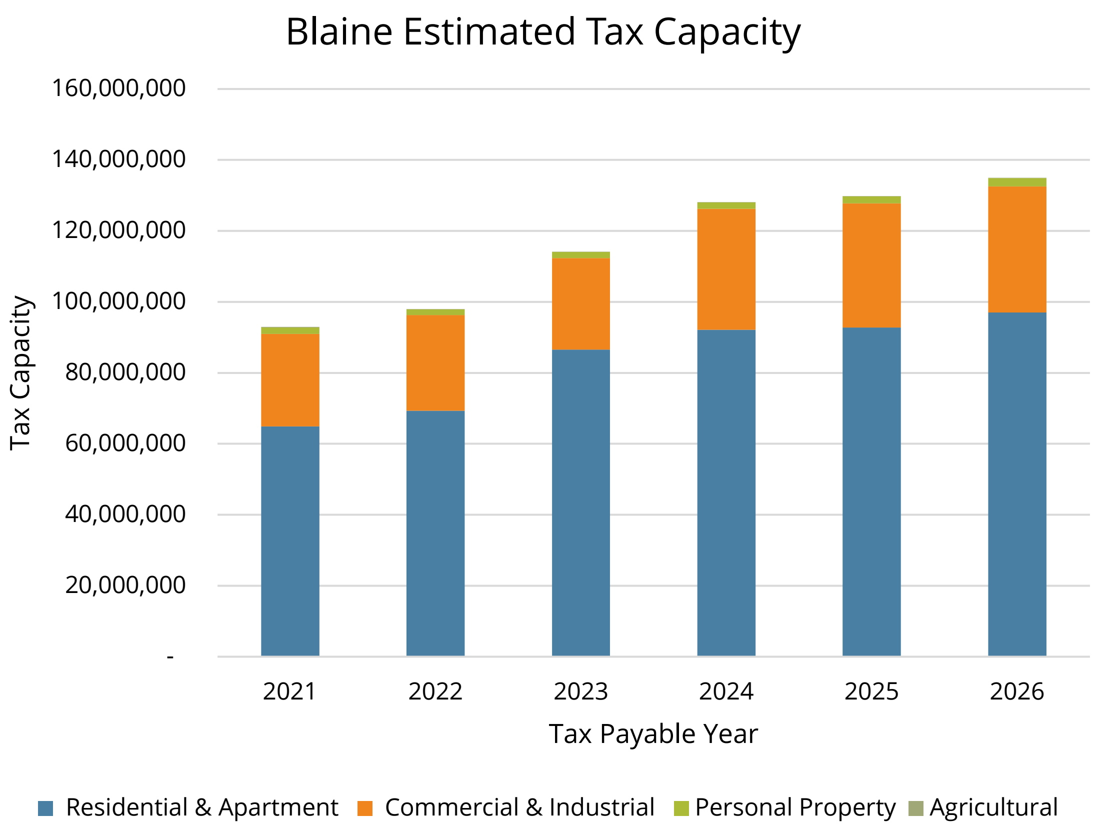
** Residential Property includes single-family, duplexes, triplexes, condos and townhomes*

** All data is from County Assessor (Anoka & Ramsey)*

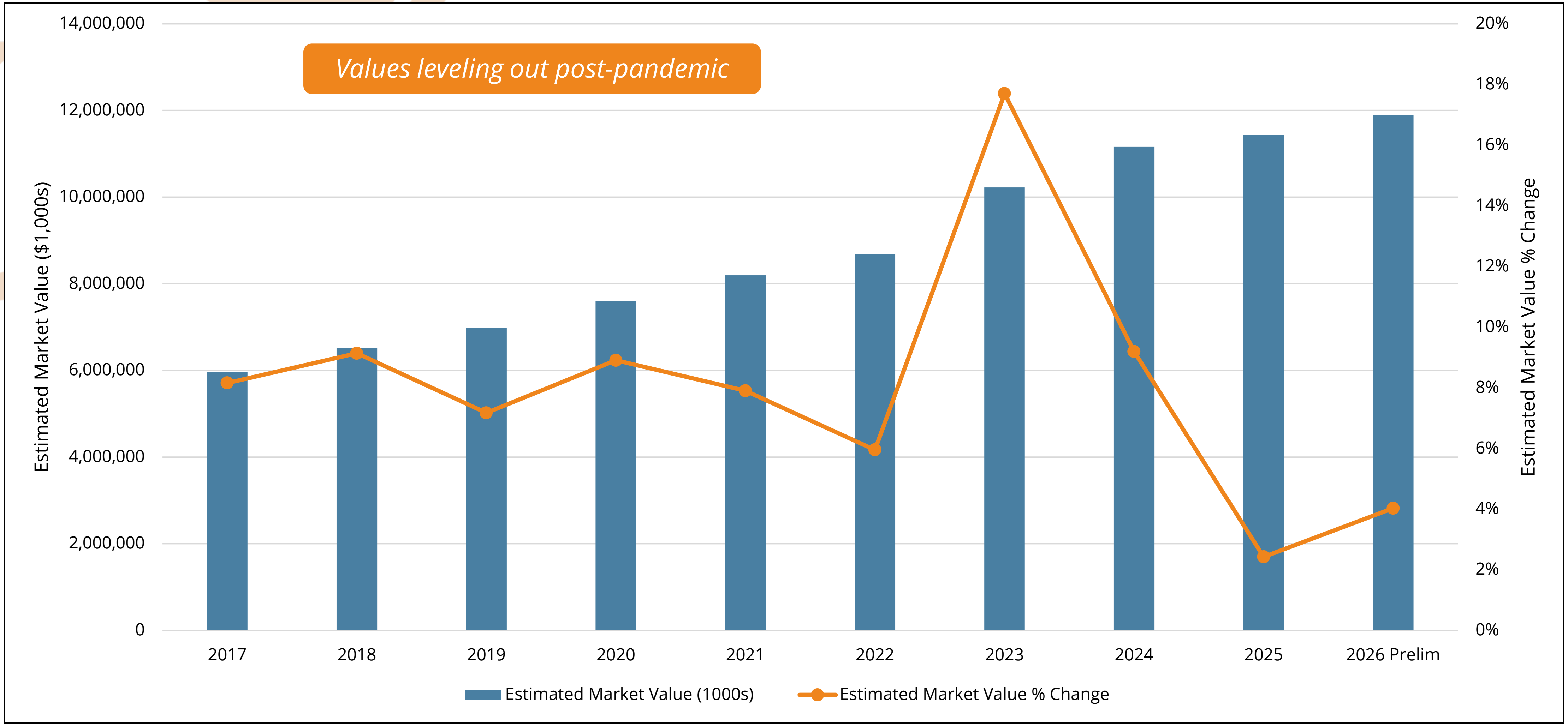
Five Year Valuation Trends

Estimated Market Value and Tax Capacity up Approximately 4.4% for 2026



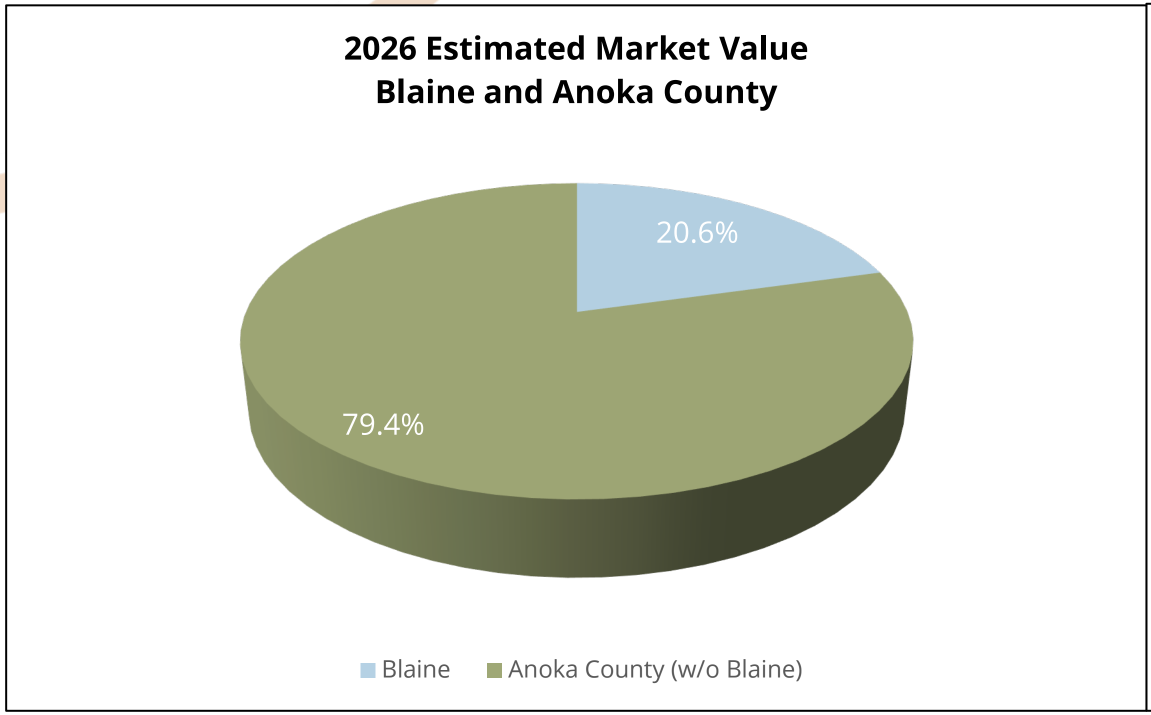


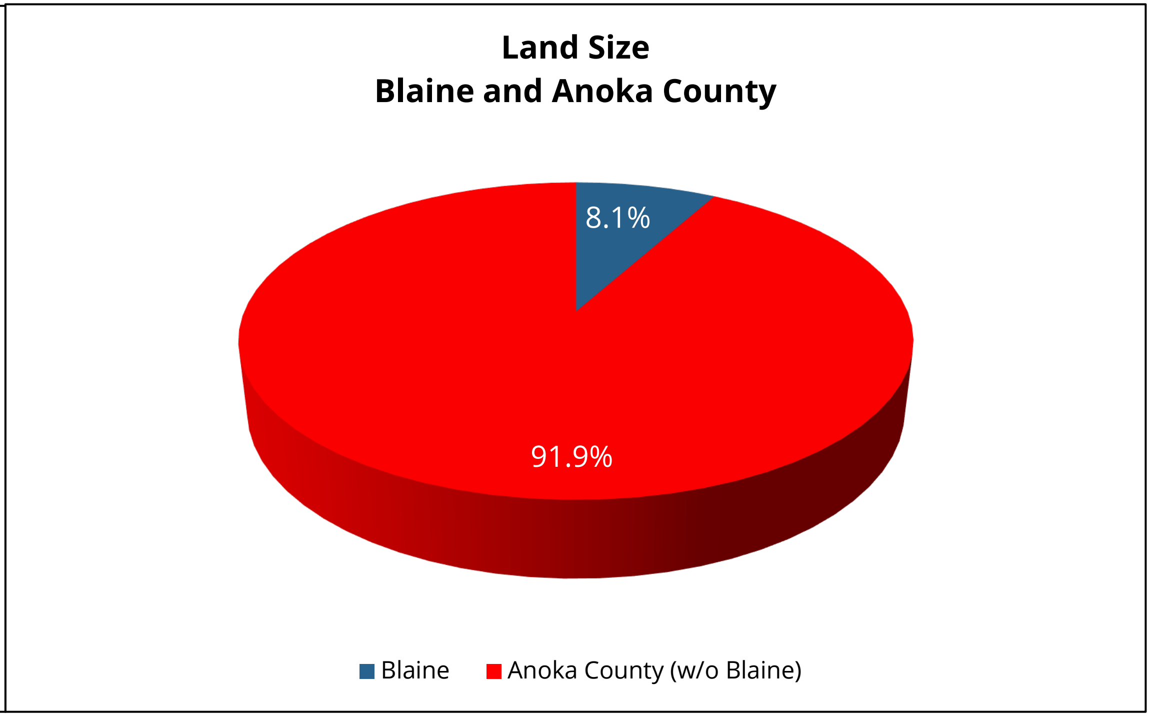
Blaine Market Valuation Trends
(Pay Year)



Prelim Pay 2026 Estimated Market Value

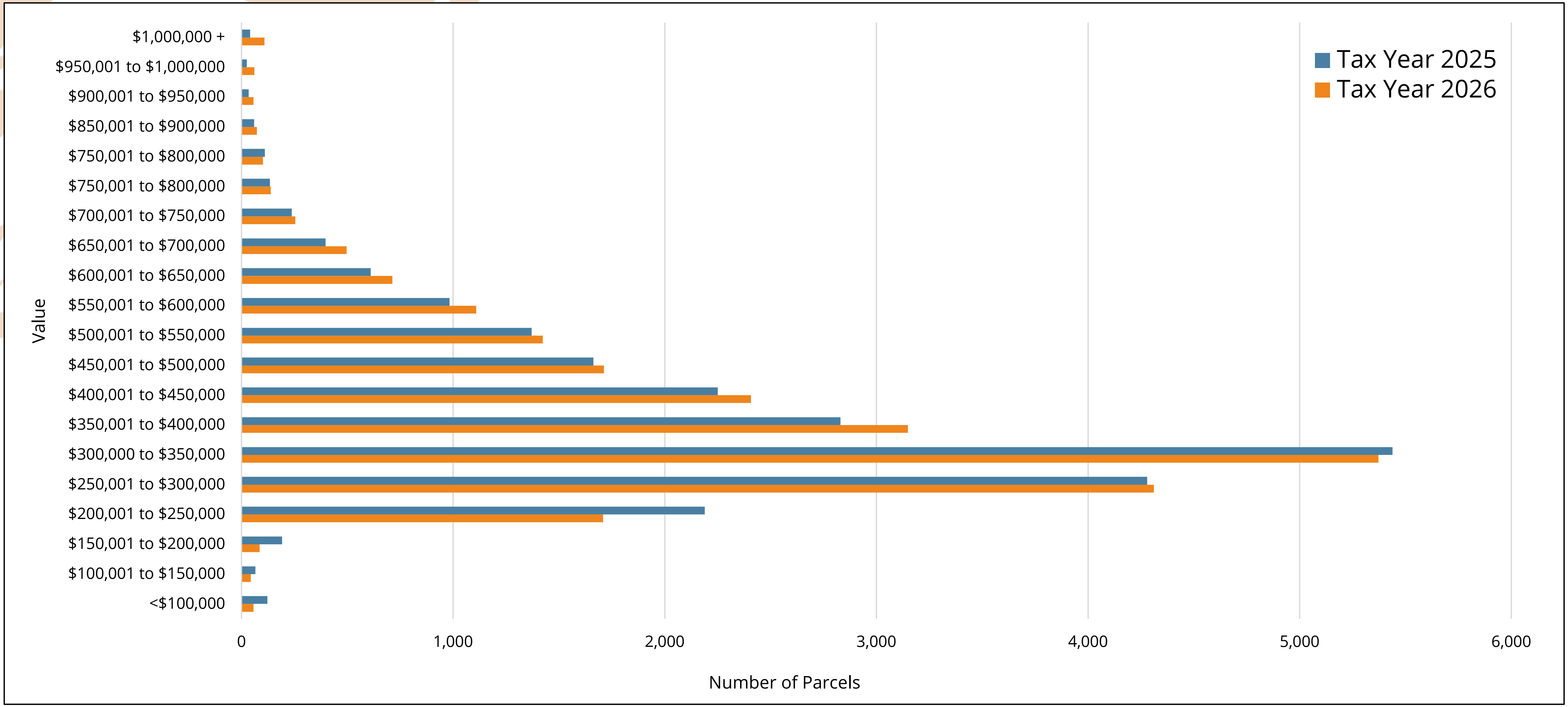
Blaine makes up over 20 percent of Anoka County's EMV while representing 8 percent of the total land mass*





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

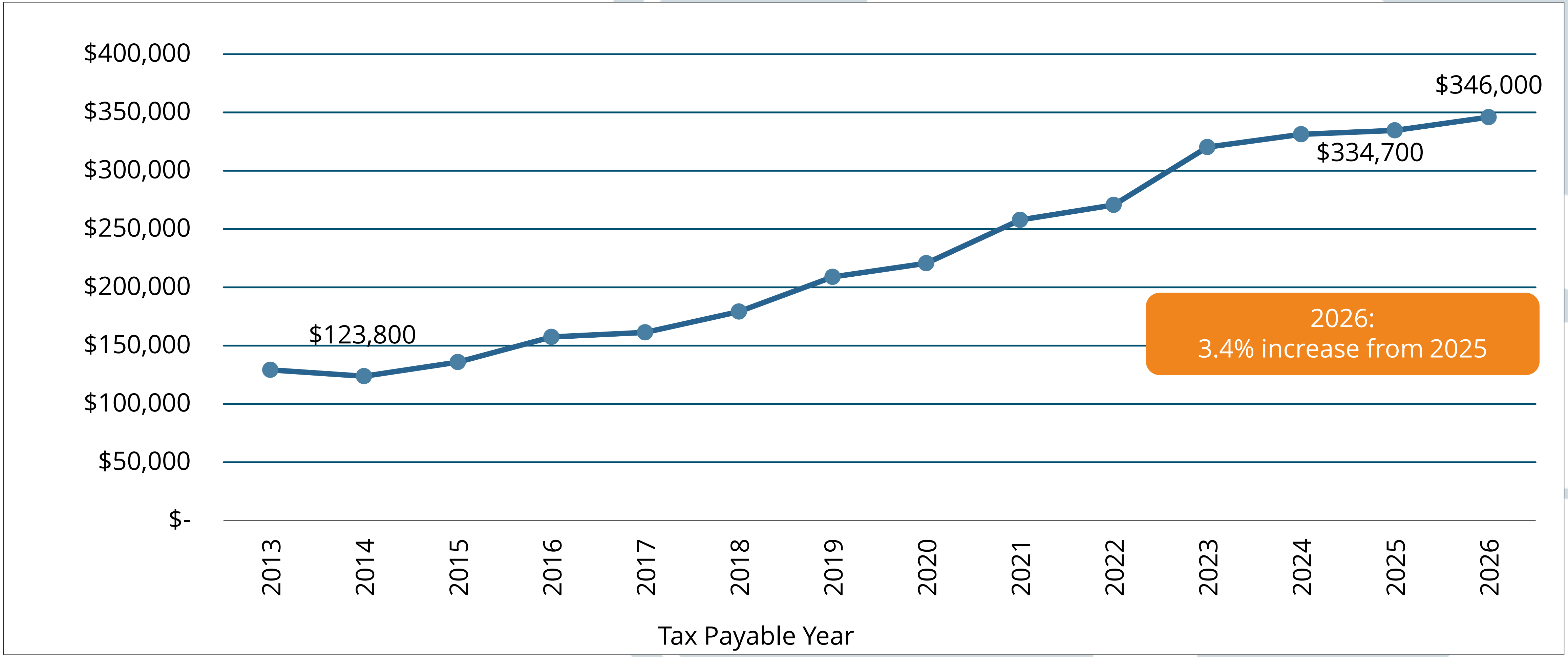
Residential Parcels by Estimated Market Value



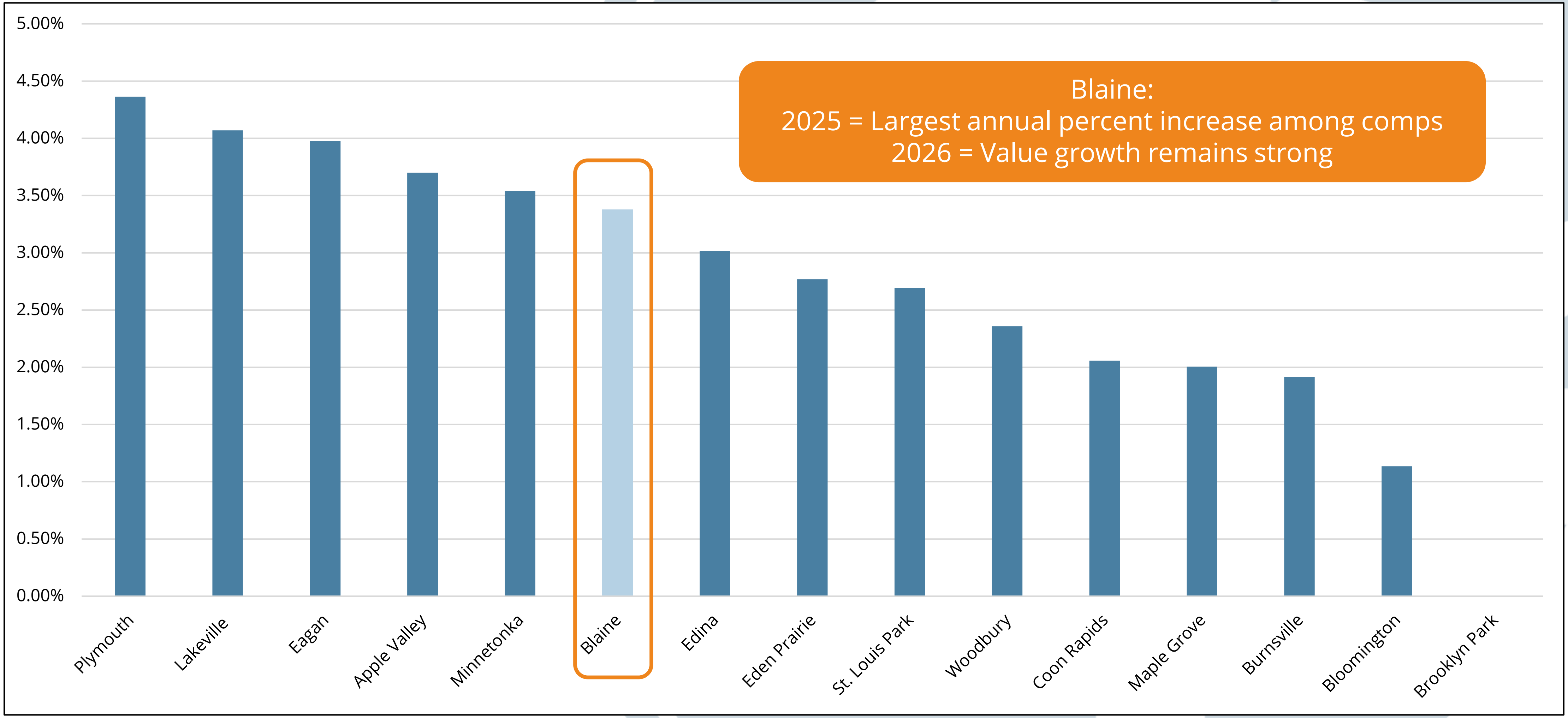
**Does not include bare land*

Assessed Estimated Median Value – Residential Properties

(Year = Pay Year)



2026 Estimated Median Valued Residential Property % Change from 2025 (Pay Year)



2026 Proposed Property Tax Levy Review

2026 Budget & Tax Levy

2026 Proposed Budget Highlights

- Dedication to City Operated Policing
  - Commitment to education, training, and resources
  - 16% decrease in part 1 (most serious) crimes from 2023 to 2024
- Strengthening Fire and Emergency Services
  - Duty crew staffing model & additional full-time staff for Spring Lake Park, Blaine, and Mounds View Fire Department (SBM)
  - Prefunding of core capital equipment, including fire engines and ladders
- Improving City Facilities, Equipment, Roads, Trails, Open Spaces, and Parks
  - Playground and park shelter replacements; improvements to existing trails
  - Continuation of Pavement Management Program with over $7.5 million in street improvements
  - Design & reconstruction of Highway 65 with over $200 million in State & Federal funding
  - Increasing dedicated levy to further prefund the purchase of capital equipment & reduce debt burden
- Modernization of Information Technology Infrastructure
- Investment in Forestry to Address Impacts of Emerald Ash Borer
- Resources for Coordinating Election Services
- Implementation of State Mandated Paid Family Medical Leave Law
- Initiation of 2050 Comprehensive Plan as Directed by the Metropolitan Council

Proposed 2026 Tax Levy

Core aspects of the proposed tax levy

- Tax levy not increasing at rate of last two years
- Adequate funding of operational commitments
- Reduction efforts from June won't create future budget deficits
- Continues to advance efforts to prefund capital
- Information Technology investments
- No new staffing

Tax Levy Adjustments	Amount	Increase from 2025
June Estimated Tax Levy	**$55,300,000**	**12.1%**
Budget Reduction	(181,000)	
Move to Communication Fund	(46,000)	
Position Reclassification	60,000	
One-Time Items		
Debt Levy Buy Down	(183,000)	
PCI Analysis	(125,000)	
Doors at Happy Acres and Aurelia Parks	(35,000)	
Irrigation Clock Upgrades	(10,000)	
Subtotal One-Time Items	(353,000)	
Fund 2025 Capital Equipment	(550,000)	
Total 2026 Levy Reduction	**(1,070,000)**	
Proposed 2026 Tax Levy	**$54,230,000**	**9.9%**

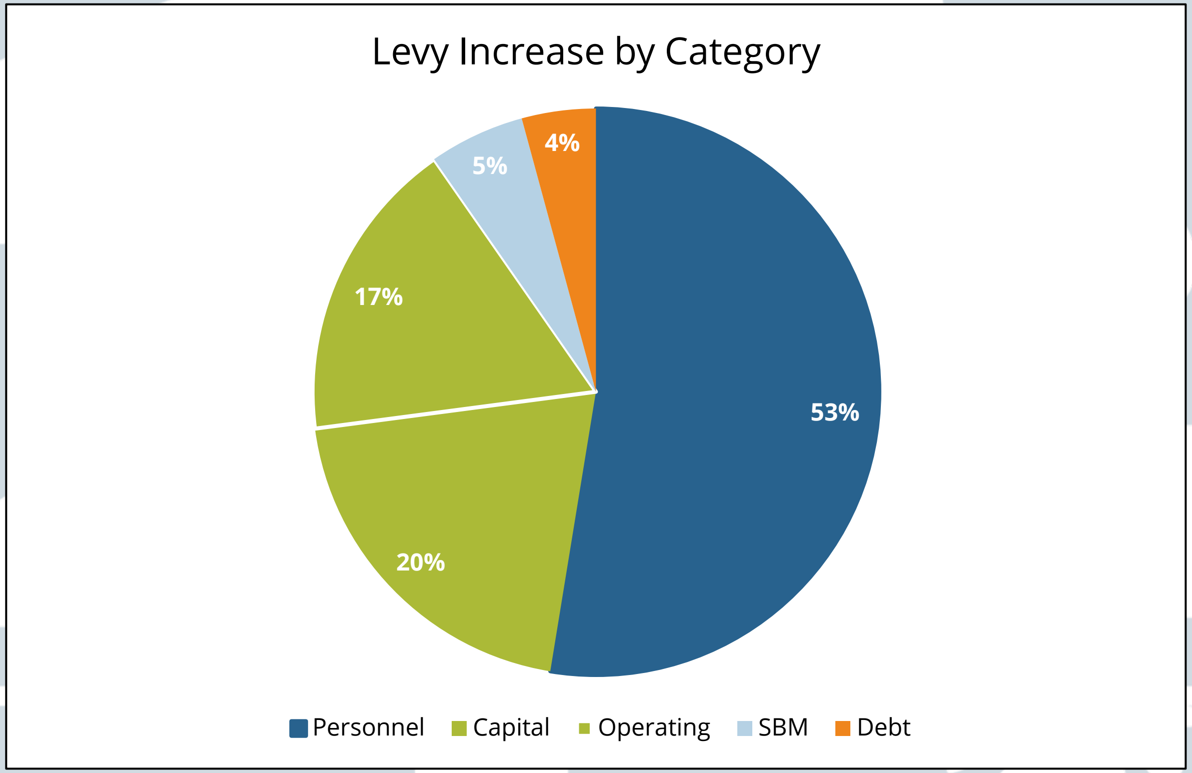
2026 Levy Components

- The 2016-2025 compound annual rate of change is 9.3%
- The capital equipment levy is proposed to assist with prefunding the replacement of vehicles & equipment in lieu of debt
- The debt levy is increasing due to the city's commitment to investing in critical infrastructure

Levy Component	2016 Levy	2025 Levy	2026 Proposed Levy	2025 to 2026 % Change	2016 to 2025 Rate of Increase
General Fund	$ 19,190,375	$ 39,547,598	$ 43,239,487	9.3%	8.4%
Transportation (Pavement Maintenance)	-	200,000	250,000	25.0%	N/A
Capital Equipment	-	500,000	1,000,000	100.0%	N/A
Parks and Trails	-	500,000	500,000	0.0%	N/A
SBM Capital Equipment	-	569,752	1,015,360	78.2%	N/A
Debt	2,936,000	8,018,650	8,225,153	2.6%	11.8%
Total	**$ 22,126,375**	**$ 49,336,000**	**$ 54,230,000**	**9.9%**	**9.3%**

Approved Proposed (Max) 2026 Tax Levy

Category		Amount	Percent of Levy Increase
Personnel/Cafeteria Plan/Other Benefits/Taxes	$	2,133,089	4.3%
Self-Insurance/Workers' Comp/Comp Abs/Facilities		440,000	0.9%
Commodities/Services		228,400	0.5%
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		(358,900)	-0.7%
Safe Margin		40,000	0.1%
Capital		995,608	2.0%
Debt Service		206,503	0.4%
Total	$	4,894,000	9.9%



2026 Budgeted General Fund Revenues

General Fund	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Levy
Operating Revenues						
Taxes	$ 27,948,205	$ 29,298,176	$ 31,234,374	$ 36,252,629	$ 39,547,598	$ 43,239,487
Licenses & Permits	3,000,386	3,207,554	2,952,707	3,045,226	2,777,700	2,348,700
Intergovernmental Revenues	1,844,612	1,878,710	2,079,673	2,500,893	1,945,000	2,308,000
Charges for Services	5,625,773	5,602,152	5,348,447	5,321,971	5,183,900	5,269,300
Fines & Forefeitures	228,787	201,677	263,017	299,602	193,000	220,000
Investment Earnings	(180,734)	(750,207)	566,600	951,279	159,000	230,000
Miscellaneous Revenues	60,018	129,845	75,919	127,330	153,500	120,000
Other Financing Sources	-	23,023	112,807	37,500	122,400	122,400
Total Operating Revenues	**$ 38,527,047**	**$ 39,590,930**	**$ 42,633,544**	**$ 48,536,430**	**$ 50,082,098**	**$ 53,857,887**
Difference from previous actual/budget	1.2%	2.8%	7.7%	13.8%	6.8%	7.5%

2026 Proposed Levy anticipates nearly 80% of operations to be funded by the property tax levy

2026 Budgeted General Fund Expenditures

General Fund	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Levy
Operating Expenditures						
Legislative	$ 447,585	$ 462,763	$ 460,109	$ 463,329	$ 541,935	$ 541,921
Administration	2,072,359	2,489,169	2,642,225	2,924,481	3,154,421	3,313,422
Finance & IT	2,852,401	3,030,919	3,207,501	3,208,493	3,868,683	4,560,059
Safety Services	14,120,231	15,322,128	17,369,766	18,872,205	21,719,239	23,021,804
SBM Fire Services	2,201,800	2,281,120	2,361,784	2,490,793	2,731,464	2,998,464
Public Works	6,420,663	7,135,658	7,863,921	8,127,280	9,652,386	10,381,843
Engineering & GIS	1,523,036	1,697,749	1,884,954	1,999,846	2,279,549	2,380,368
Recreation	1,175,472	1,409,447	1,560,596	1,683,678	1,810,436	1,926,685
Community Development	2,191,429	2,559,352	2,657,734	2,750,179	2,995,927	3,145,263
General	411,688	431,083	436,320	627,889	928,058	1,148,058
Total Operating Expenditures	**$ 33,416,664**	**$ 36,819,388**	**$ 40,444,910**	**$ 43,148,173**	**$ 49,682,098**	**$ 53,417,887**
Difference from previous actual/budget	6.3%	10.2%	9.8%	6.7%	6.7%	7.5%

≈ half of the General Fund Budget is used to support safety & fire services

Calculating the Local Tax Rate

2026 Budget & Tax Levy

Local Value Adjustment – Fiscal Disparities

- Charles R. Weaver Metropolitan Revenue Redistribution Act was enacted in 1971.
- Contributions: The program shares 40% of the post-1971 growth in commercial-industrial (C/I) property tax base within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.
- Distributions: Each municipality receives a share of the areawide tax base through a formula based on its share of the area's population and its relative property tax wealth (tax base per capita).
- In 2020, 37.4 percent of all C/I property taxes were paid through fiscal disparities – or 10 percent of the total tax base.

Goals of Fiscal Disparity System		
Support Regional Approach to Development	Equalize the Distribution of Fiscal Resources	Reduce Competition for C/I Development

Fiscal Disparities

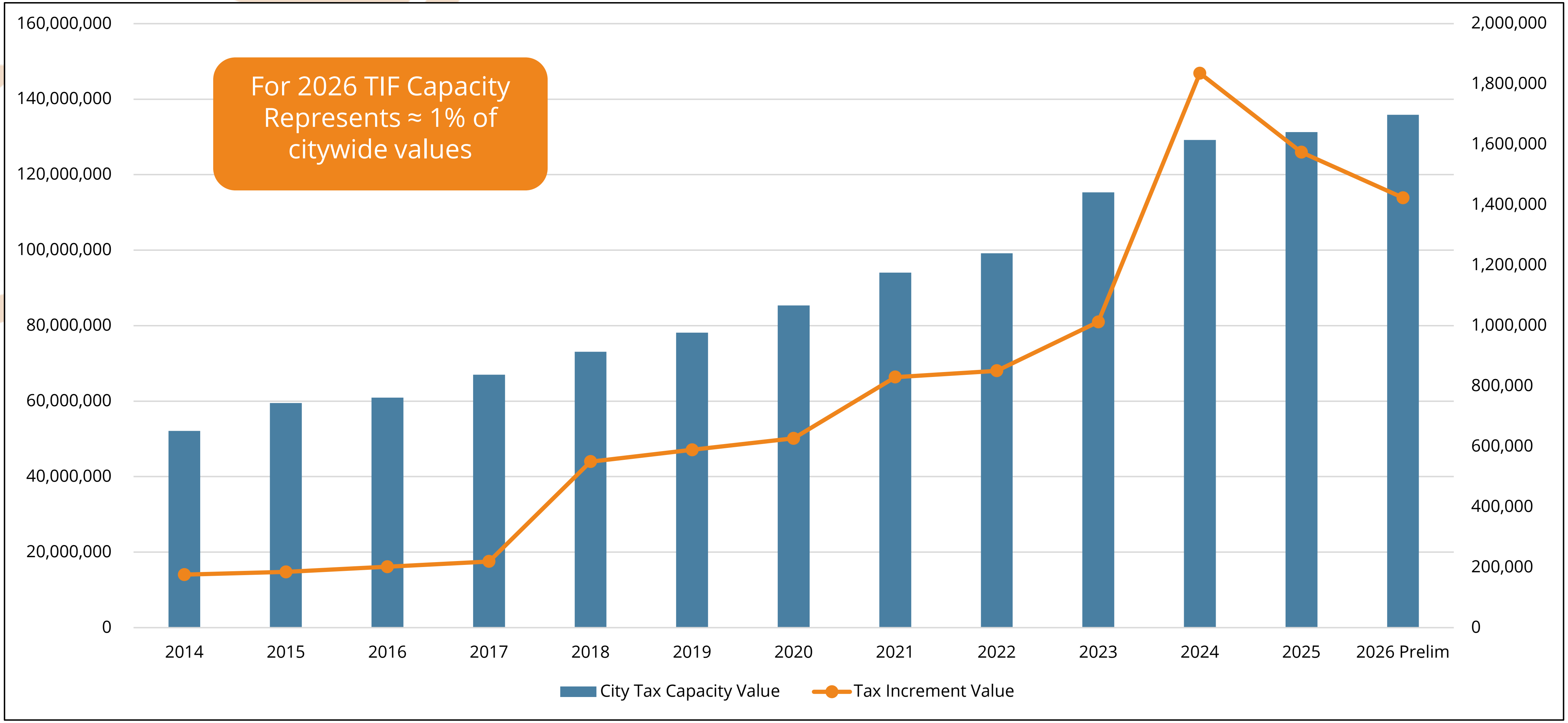
This Fiscal Disparity Levy Reduces the Local Tax Levy to be Collected

Pay 2026 Estimated Fiscal Disparities			
Value contributed into pool	(Table V for pay 2026)	14,631,640	This is subtracted from your local tax base for pay 2026
			(Blaine's contribution value decreased by 8.38% for pay 2026
Estimated of value distributed	(Overall pool increase is 0.180% for pay 2026)	14,706,612	Last years (pay 2025) final distribution value from Table VIII
		456,849	Blaine's increase is projected to be 3.11%
Estimated pay 26 distribution value		15,163,461	
Times prior year tax capacity rate		38.232%	Prior years tax capacity rate (2025)
Estimated pay 2026 FD Levy distribution		**5,797,295**	**Blaine's increase is estimated to be 18.31%**
Pay 2025 Fiscal Disparities			
Value contributed into pool	(Table V for pay 2025)	13,500,539	This is subtracted from your local tax base for pay 2025
			(Blaine's contribution value decreased by 22.87% for pay 2025
Final value distributed	(Overall pool increase is 10.121% for pay 2025)	12,986,102	Last years (pay 2024) final distribution value from Table VIII
		1,720,510	Blaine's increase is projected to be 13.25%
Final pay 25 distribution value		14,706,612	
Times prior year tax capacity rate		33.319%	Prior years tax capacity rate (2024)
Final pay 25 FD Levy distribution		4,900,095	This is subtracted from city's local levy
	Actual was >>>>>	**4,900,095**	**Blaine's increase was 18.66%**
Pay 2024 Fiscal Disparities			
Value contributed into pool	(Table V for pay 2024)	10,987,567	This is subtracted from your local tax base for pay 2024
			(Blaine's contribution value decreased by 3.39% for pay 2024
Final value distributed	(Overall pool increase is 6.071% for pay 2024)	12,488,843	Last years (pay 2023) final distribution value from Table VIII
		497,259	Blaine's increase is projected to be 3.98%
Final pay 24 distribution value		12,986,102	
Times prior year tax capacity rate		31.800%	Prior years tax capacity rate (2023)
Final pay 24 FD Levy distribution		4,129,580	This is subtracted from city's local levy
	Actual was >>>>>	**4,129,580**	**Blaine's decrease was 5.83%**

Local Value Adjustment – TIF

- TIF is a method of financing development costs
  - To encourage the development of buildings and other private improvements
  - To pay for public improvements (streets, sidewalks, utilities)
- *Tax Increment Financing (TIF) does not change how much a property is taxed*
- Property owners in a TIF district pay the same amount of tax on their property as they normally would, but a portion of the revenue from new development is diverted to a special TIF account to fund the project instead of going to the city, county, or school district.
  - This continues until the development costs are paid off, at which point the full property value becomes part of the regular tax base
  - Value (base) before establishing the TIF District is frozen and shared proportionately among all eligible taxing authorities

Total City Tax Capacity and TIF Tax Capacity



City Based Tax Rate Calculation (Preliminary)

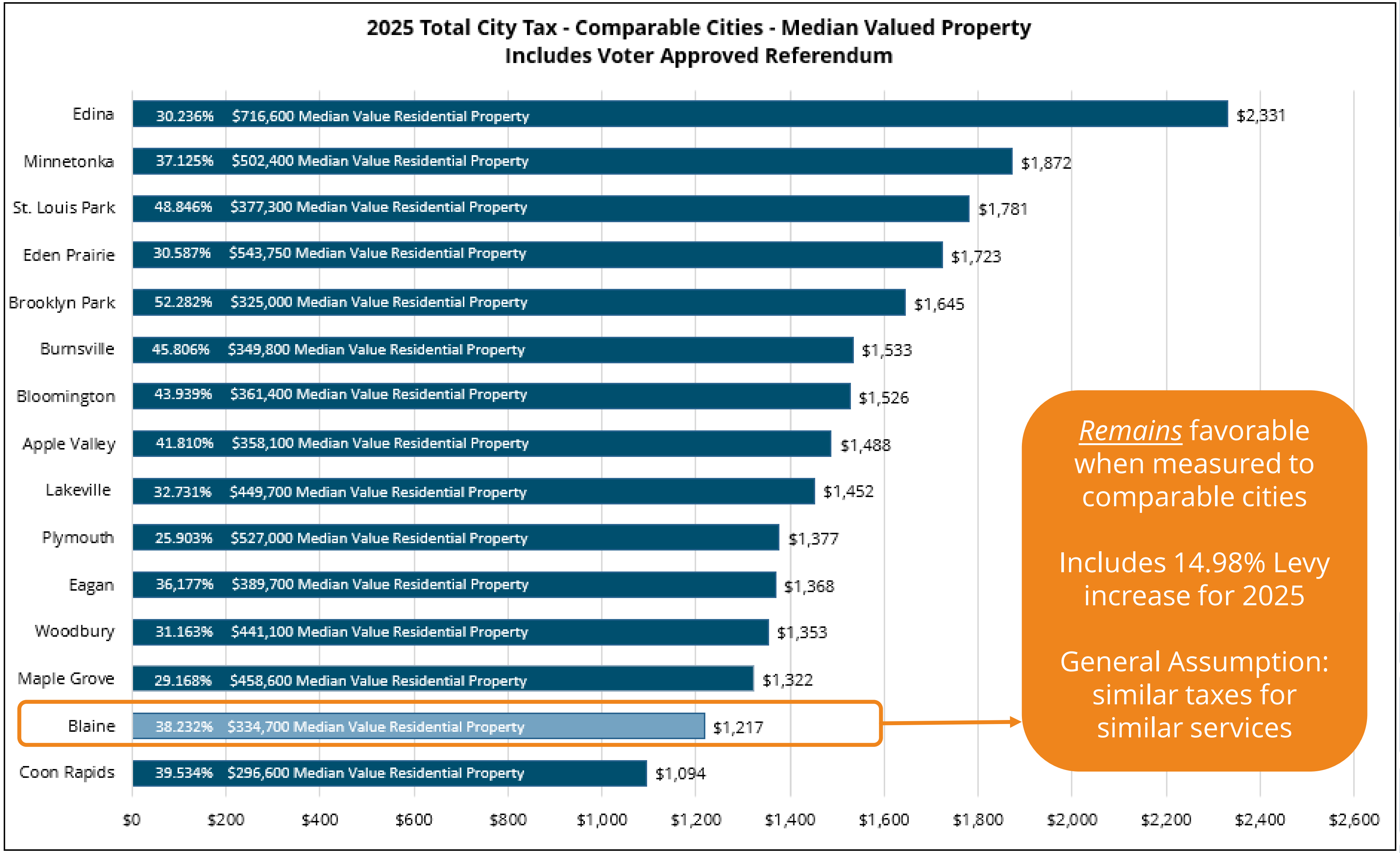
Pay Year	2021 Final	2022 Final	2023 Final	2024 Final	2025 Final	2026 Proposed Levy
<u>A. TAXABLE VALUATIONS:</u>						
A1. Values in the City of Blaine	94,061,383	99,163,642	115,300,642	129,214,345	131,301,820	136,490,683
A2. Fiscal Disparity Contribution	(9,609,668)	(11,164,299)	(11,372,946)	(10,987,567)	(13,500,539)	(14,631,640)
A3. Tax Increment Financing Districts	(829,748)	(850,388)	(1,012,407)	(1,835,883)	(1,574,234)	(1,427,820)
A4. Values after FD and TIF	83,621,967	87,148,955	102,915,289	116,390,895	116,227,047	120,431,223
A5. Fiscal Disparity Distribution	11,465,077	12,097,905	12,488,843	12,986,102	14,706,612	15,163,461
A6. Value after Fiscal Disparity Sharing	95,087,044	99,246,860	115,404,132	129,376,997	130,933,659	135,594,684
<u>B. TAX DOLLARS</u>						
B1. Fiscal Disparity Adjustment	4,109,313	4,249,995	4,385,207	4,129,580	4,900,095	5,797,295
B2. Blaine Taxpayer Levy	29,375,687	30,600,005	32,726,793	38,780,020	44,435,905	48,432,705
B3. Total Tax Levy	**33,485,000**	**34,850,000**	**37,112,000**	**42,909,600**	**49,336,000**	**54,230,000**
B4. Levy Change From Prior Year ($)	2,260,000	1,365,000	2,262,000	5,797,600	6,426,400	4,894,000
B5. Levy Change From Prior Year (%)	6.75%	4.08%	6.49%	15.62%	14.98%	9.92%
<u>C. TAX RATES</u>						
C1. Fiscal Disparity Adjustment (B1/A5)	35.842%	35.130%	35.113%	31.800%	33.319%	38.232%
C2. Blaine Tax Capacity Levy (B2/A4)	**35.130%**	**35.113%**	**31.800%**	**33.319%**	**38.232%**	**40.216%**

Median Value Residential Tax Calculation (Preliminary)

Includes City & EDA

Pay Year	2021 Final	2022 Final	2023 Final	2024 Final	2025 Final	2026 Proposed Levy
Market Value	257,800	270,600	320,400	331,300	334,700	346,000
Market Value Exclusion	(14,038)	(12,886)	(8,404)	(7,423)	(16,427)	(15,410)
Taxable Market Value	243,762	257,714	311,996	323,877	318,273	330,590
Tax Capacity	2,438	2,577	3,120	3,239	3,183	3,306
Tax Capacity Rates:						
City	35.130%	35.113%	31.800%	33.319%	38.232%	40.216%
EDA	0.706%	0.763%	0.880%	0.761%	0.894%	0.905%
Property Taxes:						
City	$ 856.47	$ 904.86	$ 992.16	$ 1,079.20	$ 1,216.92	$ 1,329.55
EDA	$ 17.21	$ 19.66	$ 27.46	$ 24.65	$ 28.46	$ 29.91
Total	**$ 873.68**	**$ 924.52**	**$ 1,019.62**	**$ 1,103.85**	**$ 1,245.38**	**$ 1,359.46**

Pay 2025 Taxes – Comparable Cities

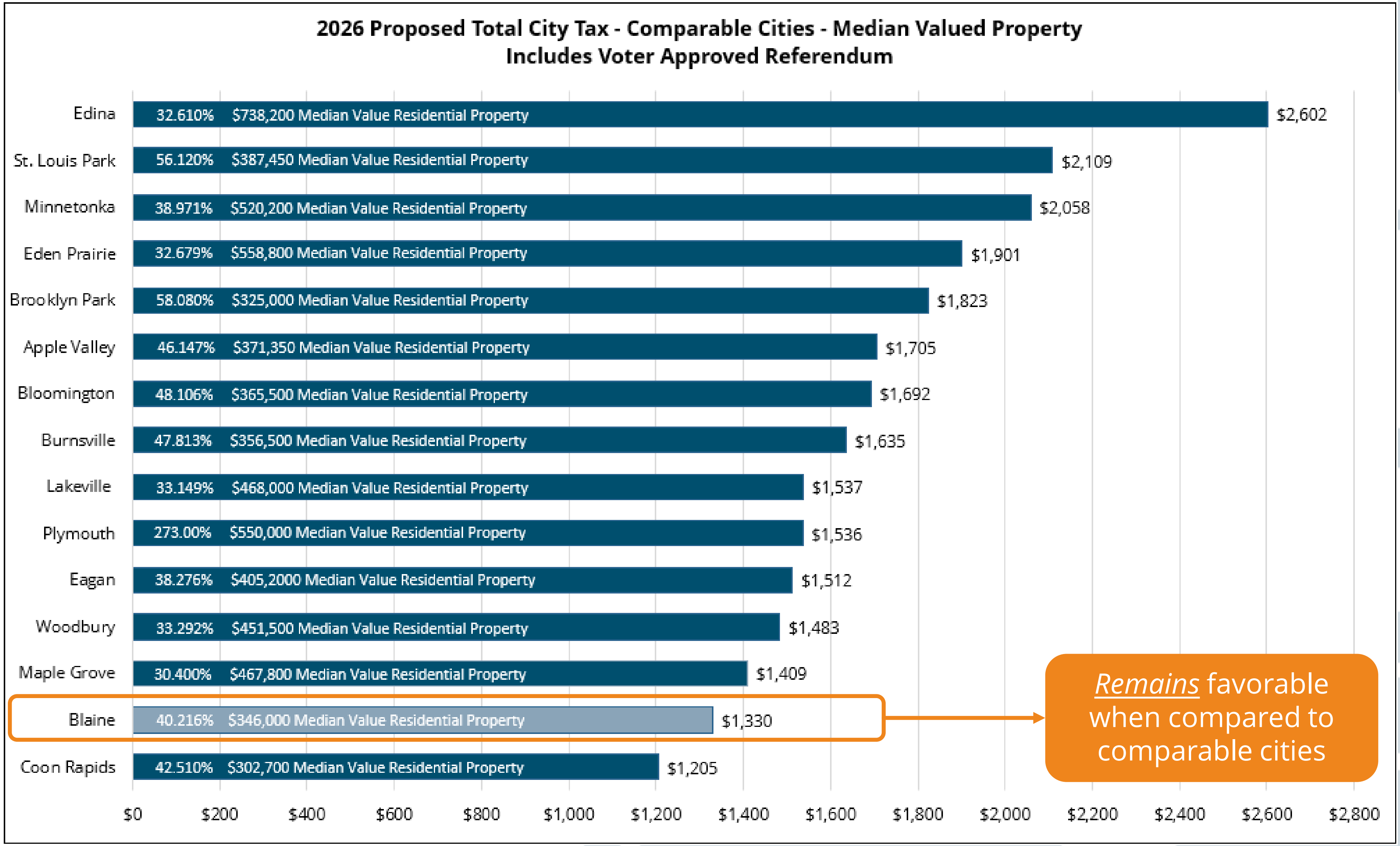


<u>*Remains*</u> favorable when measured to comparable cities

Includes 14.98% Levy increase for 2025

General Assumption: similar taxes for similar services

Proposed Pay 2026 Taxes – Comparable Cities



Remains favorable when compared to comparable cities

2026 Proposed Levy Allocation

Monthly Distribution of City Taxes ($110.80)

On Median Value Single Family Property in Blaine - $346,000

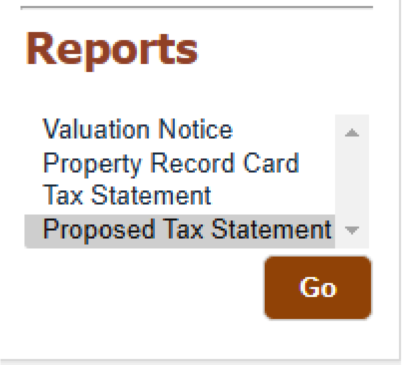
Public Safety	Public Works & Recreation	Capital & Debt	Finance & IT	General Gov't
$46.76	$25.04	$22.49	$8.75	$7.76

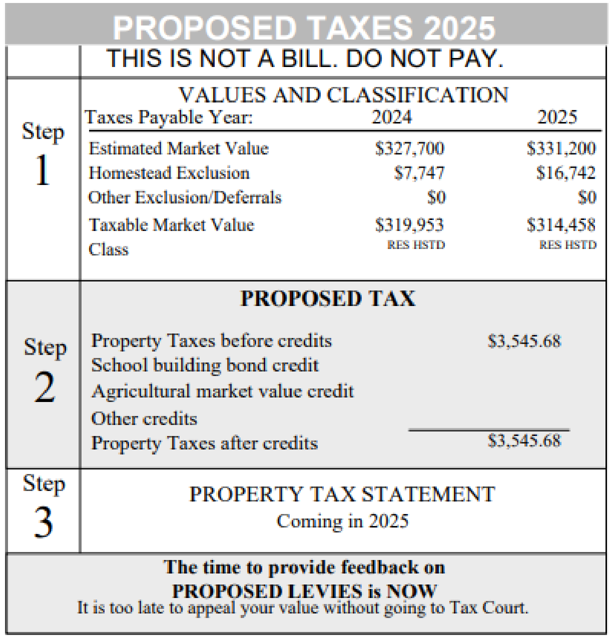
Truth-in-Taxation

2026 Budget & Tax Levy

Proposed 2026 Taxes

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





PROPOSED TAXES 2025

THIS IS NOT A BILL. DO NOT PAY.

	VALUES AND CLASSIFICATION		
Step 1	Taxes Payable Year:	2024	2025
	Estimated Market Value	$327,700	$331,200
	Homestead Exclusion	$7,747	$16,742
	Other Exclusion/Deferrals	$0	$0
	Taxable Market Value	$319,953	$314,458
	Class	RES HSTD	RES HSTD

	PROPOSED TAX	
Step 2	Property Taxes before credits	$3,545.68
	School building bond credit	
	Agricultural market value credit	
	Other credits	
	Property Taxes after credits	$3,545.68

Step 3	PROPERTY TAX STATEMENT Coming in 2025

The time to provide feedback on PROPOSED LEVIES is NOW

It is too late to appeal your value without going to Tax Court.

Sample Proposed Tax Statement

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2025	Proposed 2026	
State General Property Tax	No public meeting	$0	$0	
County of Spruce Spruce County Courthouse 123 Spruce St Spruceville, MN 55555 www.co.spruce.mn.us (555) 123-4567	December 4, 7:00 PM	$438.06	$484.18	
City of Spruceville Mayor's Office 456 Spruce St Spruceville, MN 55555 www.ci.spruceville.mn.us (555) 123-7654	December 2, 6:30 PM Spruceville City Hall	$273.79	$312.06	
Spruceville School District 999 150 1st St N Spruceville, MN 55555 www.spruceville.k12.mn.us (555) 123-6789	December 9, 7:00 PM Spruceville High School Cafeteria			
Voter Approved Levies		$289.35	$296.68	
Other Levies		$340.11	$374.60	
Your school district was scheduled to hold a referendum at the November general election. If the referendum was approved by the voters, the school district's voter approved property tax for 2026 may be higher than the proposed amount shown on this notice.				
Metro Special Taxing Districts		$57.76	$58.70	
Spruceville Metropolitan Council www.spruce.metrocouncil.org (555) 555-5555 Spruceville, MN 55055	December 11, 7:30 PM Spruce Park Centre 500 Pine St.			
Other Special Taxing Districts	No public meeting	$12.80	$13.02	
Tax Increment Tax	No public meeting	$10.15	$11.22	
Total excluding any special assessments		**$1,422.02**	**$1,550.46**	**9.0%**

What Else Should You Know?

Your local units of government have proposed the amounts they will need to levy in 2026.

The following circumstances could change these amounts:
- Upcoming referenda
- Legal judgments
- Natural disasters
- Voter-approved levy limit increases, or
- Special assessments

Your county commissioners, school board, city council (if your property is located in a city with a population over 500), and metropolitan special taxing district will soon be holding meetings to discuss the 2026 budgets and proposed 2026 property taxes. (The school board will discuss the 2025 budget.) You are invited to attend these meetings to express your opinion.

How Can You Learn More?

The time to provide feedback on proposed levies is now.

You are invited to attend budget meetings to express your opinion.

Levy information is provided by the county, city, and school district. It compares two years for those jurisdictions. For more information, contact the county, city, or school district directly or visit their websites.

Levy amounts impact the taxes owed for your property. Additional factors that may impact your property tax amount include changes to taxable market value, improvements made to the property, and changes in special programs, such as the homestead market value exclusion.

Levy Information

Taxing Authority	2025 Actual	2026 Proposed	Percent Change
Spruce County	$338,743,612	$354,123,588	4.5%
City of Daffodil	$11,481,450	$12,615,350	9.9%
City of Dahlia	$5,820,296	$6,553,071	12.6%
City of Daisy	$25,308,114	$26,927,389	6.4%
City of Emerald	$2,360,444	$2,474,298	4.8%
City of Holly	$950,351	$1,010,172	6.3%
City of Juniper	$4,479,291	$4,785,770	6.8%
City of Laurel	$3,761,410	$4,244,790	12.9%
City of Olive	$2,051,403	$2,215,515	8.0%
City of Opal	$24,369,853	$25,963,885	6.5%
City of Spruceville	$14,076,707	$15,051,898	6.9%
City of Tulip	$5,724,529	$6,461,264	12.9%
City of Violet	$5,793,870	$6,195,499	6.9%
Daisy School District	$30,350,240	$27,440,145	-9.6%
Holly School District	$38,291,058	$40,749,495	6.4%
Laurel School District	$24,171,980	$25,211,575	4.3%
Opal School District	$37,366,073	$40,320,531	7.9%
Spruceville School District	$132,473,350	$133,792,608	0.8%

Property Tax Relief Programs

- State of Minnesota offers two programs available to owners of homestead properties
- Based on household income and property taxes paid

- Homestead Credit Refund (M1PR)
  - 2024 Household income limit of $139,320
  - Must have owned and occupied your home on January 2, 2025
  - May not be claimed as a dependent by others
  - Homeowners' property must be classified as homestead and have no delinquent property taxes

- Special Property Tax Refund (M1PR-SR)
  - Must have lived in your home on January 2, 2024, and January 2, 2025
  - Net property tax on your homestead increased by more than 12 percent from 2024 to 2025 and at least $100
  - No income limit, maximum refund of $1,000

- Complete program information can be found at: https://www.revenue.state.mn.us/property-tax-refund

Senior Citizen Property Tax Deferral Program

- State of Minnesota Senior Citizen Property Tax Deferral Program
  - Must be 65 years old; if married, one of you is 65 or older and the other at least 62
  - Household income is $96,000 or less
  - You have lived in, owned your home, and had it classified as homesteaded for the last 5 years
  - Other liens against your property are less than 75 percent of the estimated market value
  - You do not have a reverse mortgage, a life estate, or any lien on your property
  - The amount of property tax you pay is limited to 3 percent of your total household income
  - Complete program information can be found at: https://www.revenue.state.mn.us/property-tax-deferral-senior-citizens

Alternate Revenue Sources

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

Utility franchise fee discussion to resume at the November 17 Workshop

Questions for Council

- Are there any additional questions or comments in advance of Truth-in-Taxation Notices being mailed?

Spruce County
Jane Smith, Auditor-Treasurer
345 12th Street East, Box 78
Spruceville, MN 55555-5555
(555) 345-6789
www.co.spruce.mn.us

PROPOSED TAXES 2026

THIS IS NOT A BILL. DO NOT PAY.

TAXPAYER(S):

John and Mary Johnson
123 Pine Rd S
Spruceville, MN 55555-5555

Step 1 — VALUES AND CLASSIFICATION

Taxes Payable Year	2025	2026
Estimated Market Value	$125,000	$150,000
Homestead Exclusion	$	$33,0500
Taxable Market Value	$125,000	$116,950
Class	Res NHmstd	Res Hmstd

Step 2 — **PROPOSED TAX**

Property taxes before credits	$1,562.46
School building bond credit	$ 12.00
Agricultural market value credit	
Other credits	
Property taxes after credits	$1,550.46

Step 3 — PROPERTY TAX STATEMENT

Coming in 2026

The time to provide feedback on PROPOSED LEVIES is NOW

It is too late to appeal your value without going to Tax Court.

Property Information

PIN Number:
01.234.56.789.R1

Property Address:
789 Pine Rd S
Spruceville, MN 55555

Property Description:
Lot 1, Block 1, Spruce Acres Subdivision

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2025	Proposed 2026	
State General Property Tax	No public meeting	$0	$0	
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Supplemental Budget Information - Proposed 2026 Taxes

How Can You Learn More?

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Opal School District	$37,366,073	$40,320,531	7.9%
Spruceville School District	$132,473,350	$133,792,608	0.8%

Levy Item	City of Blaine, Minnesota Exhibit A - 1 2026 Property Tax Levy - Summary Fund	2025 Final Levy	2026 Proposed Levy (Sept)	Total Change From '25 to '26 Proposed Levy	Percent Change From '25 to '26 Proposed Levy
	General Fund	$ 39,547,598	$ 39,547,598		
1	Personnel (Insurance, COLA, etc.)	-	1,701,281		
2	Paid Family Medical Leave Act Premiums	-	136,808		
3	Self Insurance	-	190,000		
4	Workers Compensation	-	100,000		
5	Compensated Absences	-	30,000		
6	Facilities Fund Internal Service Charges	-	120,000		
7	Commodities/Services (Aggregate; Excluding SBM)	-	396,621		
8	Budget Reduction Exercise	-	(181,000)		
9	Alternative Funding Exercise	-	(46,000)		
10	Information Technology Improvements	-	459,300		
11	Department Requests	-	233,000		
12	One-Time Requests	-	(45,000)		
13	SBM Fire Funding (Operating)	-	267,000		
14	2026 Election Year	-	103,779		
15	Restore Permit Technician	-	105,000		
15	Restore Evidence Technician	-	105,000		
16	Reclass Evidence Technician to Patrol Officer	-	60,000		
17	Reduce Engineering Charges for City Projects	-	250,000		
18	Crime Victim Services Grant Expiring	-	25,000		
19	Misc Revenue Increase	-	(358,900)		
20	Additional Safe Margin	-	40,000		
	Total General Fund	**39,547,598**	**43,239,487**	**3,691,889**	**9.3%**
	Capital				
21	Pavement Maintenance	200,000	250,000		
22	Pavement Management Plan	-	-		
23	Capital Equipment	500,000	1,000,000		
24	Parks & Trails	500,000	500,000		
25	SBM Capital Equipment	569,752	1,015,360		
	Total Capital	**1,769,752**	**2,765,360**	**995,608**	**56.3%**
26	**Debt Service**				
	GO Improvement Bonds 2013A (67)	439,539	-		
	GO Equipment Capital Note 2016A (70) (NMTV)	-	-		
	GO Improvement Bonds 2016A (71a)	196,633	17,068		
	GO Improvement Bonds 2016A (71b)	163,892	163,251		
	GO Improvement Bonds 2016A (71d)	707,490	723,870		
	GO Taxable Improvement Bonds 2017A (72a)	251,711	253,888		
	GO Improvement Bonds 2019A (75)	555,697	556,306		
	GO Capital Improvement Plan Bonds 2019B (76)	486,938	487,725		
	GO Capital Improvement Plan Bonds 2020A (77)	514,683	513,115		
	GO Improvement Bonds 2021A (78A)	466,088	466,096		
	GO Improvement Bonds 2021A (78B)	110,358	112,248		
	GO Improvement Bonds 2022 (79A)	680,313	675,884		
	GO Improvement Bonds 2023A (80A)	715,783	713,129		
	GO Equipment Certificates 2023A (80C)	689,325	692,475		
	105th Ave Tax Abatement Debt Service (81) 2024A	505,200	603,435		
	GO Improvement Bonds 2024B	835,000	806,813		
	GO Equipment Certificates 2024B	700,000	689,850		
	City Improvement Bonds 2025	-	750,000		
	City Equipment Bonds 2025	-	-		
	Debt Service Total	**8,018,650**	**8,225,153**	**206,503**	**2.6%**
	Total Tax Levy	**49,336,000**	**54,230,000**	**4,894,000**	**9.9%**

City of Blaine, Minnesota

Exhibit A - 2

2026 Property Tax Levy - Detail

Levy Item	Fund/Category	Detail	Total Change From '25 to '26 Proposed Levy
1	**Personnel (Insurance, COLA, etc.)**	No new positions included Equitable compensation for city staff Cafeteria plan and other benefits and taxes included	$ 1,701,281
2	**Paid Family Medical Leave Act Premiums**	New state-administered mandatory paid family and medical leave insurance beginning January 1,2026 Premium is 0.88% of payroll, assuming city will fund 1/2, the minimum requirement by law Administered by the Minnesota Department of Employment and Economic Development (DEED)	136,808
3	**Self Insurance**	2025 funding $1M, 2024/2025 Premium $756k, Deductible $200,000 2025/2026 policy renewal process has not started (Standard and MEL premium), July 15 to July 15 Ending 2024: Net Position $192k, incurred but not reported $367k $100k deductible per occurrence/$200k standard aggregate/$4M MEL aggregate No current/proposed funding for new vehicle/equipment replacement (residual vs new) Land-use litigation costs are based on a sliding scale, includes a 15% copay on the the first $250k and 40% on amounts above that Increase spread amongst funds, 75% General Fund	190,000
4	**Workers Compensation**	Current funding $1.98M, 2026 Premium $1.36M 2024 Retro-Premium $282k, 2023-2024 Audit Adjustment $49k 2025/2026 policy renewal process has not started, July 15 to July 15 2024/2025 Standard Policy, $10k deductible per Occurrence Ending 2024: Cash $(81k), Net Position $(86k) 2024 expenditures exceeded revenue by $56k Increase spread amongst funds, 92% General Fund	100,000
5	**Compensated Absences**	2020-2024 Funding $784k, Payouts $1.18M, total shortfall $392k Ending 2024: Cash $1.25M Increase spread amongst funds, 93% General Fund	30,000
6	**Facilities Fund Internal Service Charges**	Assumes 8.5% increase year over year, Increase spread amongst funds, 76% General Fund	120,000
7	**Commodities/Services (Aggregate; excluding SBM)**	23.15% of total General Fund expenditures for 2025 budget Figure represents 2.8% increase for 2026 budget Historical increases: 23% for 2022 Actuals, 12% for 2023 Actuals, 9% for 2024 Actuals, 8% for 2025 Budget	396,621
8	**Budget Reduction Exercise**	Identification and implementation of cost-saving measures related to non-personnel costs	(181,000)
9	**Alternative Funding Exercise**	Alignment of operating expenditures to their most suitable funds	(46,000)
10	**Information Technology Improvements**	Recommended technology investments to enhances business continuity	459,300
11	**Administration Request**	Body Worn Cameras for non-sworn personnel (Community Standards, Building Inspections)	5,000
		Wellness Committee, Online wellness platform that integrates with the city's vendors	8,000
11	**Planning Request**	2050 Comprehensive Plan required by Met Council, a three-year process, additional funding needed in future years to complete	30,000
11	**Police Request**	Public Safety Data System (PSDS) costs	10,000
		Flock Cameras, currently paid using Public Safety (PS) Funds, phase out the PS Funds, $100k annually	20,000
		Axon Officer Safety Plan (OSP) for new officers	10,000
11	**Parks Maintenance**	LRS Portable Toilet services for city parks and special events	15,000
		Part-time labor costs, current budget $153k (including payroll taxes)	30,000
11	**Parks Forestry**	Emerald Ash Borer (EAB) removals, removed $120k in 2025 to fund the Forester position, remaining budget is $195k	105,000
12	**One-Time Requests (Moved From Operating)**	Replacement of rusted and rotting doors at Happy Acres and Aurelia Parks - $35,000 Irrigation clock upgrades that will include remote operation allowing staff to improve irrigation schedules and reduce water usage - $10,000 Use of Unrestricted General Fund Reserves ($45,000)	(45,000)

City of Blaine, Minnesota			
Exhibit A - 2 2026 Property Tax Levy - Detail			
Levy Item	**Fund/Category**	**Detail**	**Total Change From '25 to '26 Proposed Levy**
13	**SBM Fire Funding (Operating)**	Ongoing operating funding, represents 9.75% increase, the city's portion is 76% of the total budget Includes the request of 3 Battalion chief-level positions, 20% increase in total salary budget	267,000
14	**Elections**	2026 election year, costs fluctuate accordingly	103,779
15	**Restore Positions**	Building Inspections, Permit Technician Police, Evidence Technician	210,000
16	**Reclass Evidence Technician to Patrol Officer**	Reclassification of an existing vacant evidence technician position into a patrol officer to assist with managing call volume and improving response time	60,000
17	**Engineering Fees**	Engineering staff track their time spent on city projects then charge this time back to the associated project account (capital project or utility fund) In addition to the administrative time spent, most of the projects this time is allocated to are funded through debt The current revenue budget for this activity in the General Fund is $500,000, 2026 is the 2nd year of a 3-year timeline to eliminate this chargeback	250,000
18	**Crime Victim Services Grant**	Grant amended, originally set to expire in September of 2025, extended through September of 2026	25,000
19	**Misc. Revenue Increase**	Administration fees charged to the EDA Fund for services provided by city employees, $474k per year Administration fees charged to the Enterprise Funds for services provided by city employees, $2.5M per year Vehicle & equipment maintenance fees charged to the Water and Sewer Funds, $376,200/yr	(358,900)
20	**Additional Safe Margin**	City safe margin to be established in an amount between 1% and 1.5%, the adjustment brings the 2026 safe margin to $440k	40,000
21	**Transportation - Pavement Maintenance**	Crack-sealing program, 2025-2029 CIP increased funding from $200k to $250k in 2026, city-wide 7 year program	50,000
22	**Transportation - Pavement Management**	Pavement Condition Index (PCI) Study, last completed city-wide in 2022, ideally would like to complete study every 3 years Use of Unrestricted General Fund Reserves ($125,000)	-
23	**Capital Equipment**	2025-2029 CIP increased funding from $500k to $1M Goal is to be pre-funded by 2029 Lack of prefunding capital needs may impact credit rating	500,000
24	**Parks & Trails**	2024 levy eliminated, used strategic priority funds, restored in 2025, no increase for 2026	-
25	**SBM Capital Equipment**	Increase funding from $569,752 to $1,015,360 As existing debt expires, funding is reallocated to the SBM capital account In total no levy increase	445,608
26	**Debt Service**	Main funding source for Capital Projects Assumes 25% of all improvements will be assessed for the 2025 Transportation projects Assumes current interest rate environment at time of sale for 2025 projects No buffer for assessment/interest rate changes related to 2025 bonding Use of Unrestricted General Fund Reserves to Purchase Capital Equipment Use of Unrestricted General Fund Reserves ($183,000) See Exhibit A-3 for further details	206,503
		Total Proposed 2026 Tax Levy Increase	**4,894,000**

City of Blaine, Minnesota		
Exhibit A - 3		
2026 Debt Service Detail		
Debt Issuance	**Final Levy Year**	**2026 Proposed Levy (Sept)**
GO Improvement Bonds 2013A (67)	2025	-
GO Equipment Capital Note 2016A (70) (NMTV)	Funded by Franchise Fees	
GO Improvement Bonds 2016A (71a)*	2026	17,068
GO Improvement Bonds 2016A (71b)	2026	163,251
GO Improvement Bonds 2016A (71d)	2027	723,870
GO Taxable Improvement Bonds 2017A (72a)	2028	253,888
GO Improvement Bonds 2019A (75)	2034	556,306
GO Capital Improvement Plan Bonds 2019B (76)	2029	487,725
GO Capital Improvement Plan Bonds 2020A (77)	2035	513,115
GO Improvement Bonds 2021A (78A)	2036	466,096
GO Improvement Bonds 2021A (78B)	2036	112,248
GO Improvement Bonds 2022A (79A)	2037	675,884
GO Improvement Bonds 2023A (80A)	2038	713,129
GO Equipment Certificates 2023A (80C)	2028	692,475
105th Ave Tax Abatement Debt Service (81) 2024A	2040	603,435
GO Improvement Bonds 2024B	2039	806,813
GO Equipment Certificates 2024B	2029	689,850
City Improvement Bonds 2025 (Preliminary)	2040	750,000
City Equipment Bonds 2025 (Preliminary)**	2030	-
2026 Proposed Debt Service Tax Levy		**8,225,153**

*Use of Unrestricted General Fund Reserves ($183,000)

** Use of Unrestricted General Fund Reserves to Purchase Capital Equipment

BlaineMN.gov
Live | Work | Grow

City of Blaine, Minnesota
General Fund - 101
Summary of Revenues, Expenditures, and Change in Fund Balance
2025 Budget - As of August 11, 2025

	2022 Actual	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget	2025 Adopted to 2026 Proposed Budget
Revenues						
Taxes	$ 29,298,176	$ 31,233,575	$ 36,252,629	$ 39,547,598	$ 43,239,487	$ 3,691,889
Special Assessments	-	799	-	-	-	-
Licenses & Permits	3,207,554	2,952,707	3,045,226	2,777,700	2,348,700	(429,000)
Intergovernmental	1,878,710	2,079,673	2,500,893	1,945,000	2,308,000	363,000
Charges for Services	5,602,152	5,348,447	5,321,971	5,183,900	5,269,300	85,400
Fines & Forfeits	201,678	263,017	299,602	193,000	220,000	27,000
Proprietary Fund Revenues	-	-	-	-	-	-
Investment Earnings	(750,207)	566,600	951,279	159,000	230,000	71,000
Miscellaneous	129,846	75,920	127,329	153,500	120,000	(33,500)
Total Revenues	**39,567,909**	**42,520,738**	**48,498,929**	**49,959,698**	**53,735,487**	**3,775,789**
Expenditures						
Legislative	462,763	460,109	463,329	541,935	541,921	(14)
Administrative Services	2,445,181	2,642,225	2,924,481	3,154,421	3,316,683	162,262
Finance	3,433,394	3,207,501	3,199,059	3,868,683	4,555,904	687,221
Safety Services	15,322,128	17,369,766	18,872,206	21,719,268	23,007,759	1,288,491
Fire Services	2,281,120	2,361,784	2,490,793	2,731,464	2,998,464	267,000
Public Works	7,135,658	7,863,921	8,092,330	9,652,386	10,390,005	737,619
Engineering	1,338,262	1,884,954	1,999,846	2,279,549	2,380,681	101,132
Recreation	1,409,447	1,560,596	1,683,678	1,810,436	1,928,596	118,160
Community Development	2,559,352	2,657,734	2,750,179	2,995,898	3,149,816	153,918
Unallocated	431,083	436,319	627,889	928,058	1,148,058	220,000
Total Expenditures	**36,818,388**	**40,444,909**	**43,103,790**	**49,682,098**	**53,417,887**	**3,735,789**
Revenues Over (Under) Expenditures	**2,749,521**	**2,075,829**	**5,395,139**	**277,600**	**317,600**	**40,000**
Other Financing Sources (Uses)						-
Transfers In	23,023	112,807	37,500	122,400	122,400	
Transfers Out	3,401,000	1,500,000	362,895	-	-	-
Total Other Financing Sources (Uses)	**(3,377,977)**	**(1,387,193)**	**(325,395)**	**122,400**	**122,400**	**-**
Net Change in Fund Balance	**(628,456)**	**688,636**	**5,069,744**	**400,000**	**440,000**	**40,000**
Beginning Fund Balance	16,980,732	16,352,276	17,040,912			
Ending Fund Balance	16,352,276	17,040,912	22,110,656			
Adjust for Inventory	148,248	280,492	360,270			
Adjust for Prepaid Items	57,170	57,236	74,893			
Adj Fund Balance, Dec 31 (Net of Restricted)	**16,146,858**	**16,703,184**	**21,675,493**			
30% Subsequent Years Budget	12,475,083	13,972,460	14,904,629			
5% Subsequent Years Property Tax Levy	1,585,600	1,819,279	1,977,380			
State Funding Un-Allotment	555,000	670,000	820,000			
Minimum Unassigned Fund Balance	**14,615,683**	**16,461,739**	**17,702,009**			
Unrestricted Fund Balance	**$ 1,531,175**	**$ 241,445**	**$ 3,973,484**			