



City of Blaine

City Council Workshop

June 8, 2026 | 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. 2026-125 Pulte Residential Concept for Property South of 125th Avenue and West of Zest Street (30 Minutes)

Sponsors: Sheila Sellman, Community Development Director

3.2. 2026-126 Jim Peterson Park Improvements Project (30 Minutes)

Sponsors: Jerome Krieger, Park and Recreation Director

3.3. 2026-127 2027 Budget - General Fund Budget and City Tax Levy (90 Minutes)

Sponsors: Jason Zimmerman, Finance Director

4. Other Business

5. Adjournment



City of Blaine Staff Report

File Number: 2026-125

| Agenda Date | Status |
|-------------|--------|
|-------------|--------|

June 8, 2026

| In Control | File Type |
|------------|-----------|
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City Council

Workshop Item

New Business - Sheila Sellman, Community Development Director

Agenda Item # 3.1

Pulte Residential Concept for Property South of 125th Avenue and West of Zest Street (30 Minutes)

Background

History

The City Council reviewed a concept plan in May 2025 that included 83 65-foot-wide single-family lots and 91 townhomes. Council consensus in May was to not support a land use change to allow townhomes as many council members wanted to see unique homes on larger lots. In October 2025, the applicant submitted a revised concept plan that they felt provided upscale single-family homes on 70-foot lots, and twin homes which target the move-down, or retiree buyer. The site plan met the comprehensive plan’s minimum density requirements.

In April 2025, Pulte Homes applied for a preliminary plat, rezoning, conditional use permit, and comprehensive plan amendment to construct 79 single family homes and 56 twin homes. The City Council denied the requests.

Background

Section 75-31 of City Code requires a concept review to ensure that all subdividers are informed of the procedural requirements and minimum standards and the requirements or limitations imposed by other city ordinances, plans and/or policies, prior to the preparation of a preliminary plat. All subdividers shall present a concept plan to the zoning administrator prior to filing a preliminary plat. Concept plans for subdivisions proposing 50 or more residential units and utilizing development flex zoning shall be referred to the city council for review. Concept plans being referred to the city council for review shall be reviewed by the city council within 60 days of submission of a concept plan meeting the submission requirements of section 75-31(b). The subdivision concept review and feedback provided by staff, and the city council is advisory in nature does not constitute any form of approval of the project. The city council reserves the right for additional comment and review during the formal preliminary plat application process.

A concept plan application has been made for properties located at 3900 125th Avenue and 3700 125th

Avenue. The three subject properties are a total of approximately 83 acres and have an existing single-family home with accessory buildings on the two western parcels. The larger eastern parcel has accessory buildings located on the parcel. The properties are zoned Farm Residential (FR) and guided for Low Density Residential (LDR) development at a density of 2.5-6 units per acre and PI/PC (Planned Industrial/ Planned Commercial) (approximately 12 acres). The applicant's concept plan is for 106 single-family homes, which would be 2.51 units/acre for density.

The parcels to the west and south are zoned Farm Residential (FR) and guided Low Density Residential (LDR) and are vacant. The parcels to the east are zoned Town Commercial (B-5) and are guided Planned Commercial (PC) except for the City water tower site which is zoned Planned Business District (PBD). The parcels to the east include an existing single-family home, water tower and a vacant parcel.

The applicant has partnered with Jonathan Homes, a custom home builder with prior experience in the City of Blaine, to further enhance the community's quality and character. Jonathan Homes would build on the 28 lots that are 80' wide, while Pulte would build on the 70' wide lots.

The concept proposes:

Single Family - 106 Lots

- 78 – 70' Lots
- 28 – 80' Lots

Dimensions/Setbacks - 70' Lots

- Minimum Lot Width: 70 feet
- Minimum Lot Depth: 125 feet
- Front Setback: 25 feet
- Rear Setback: 30 feet
- Side Setback: 10 feet/10 feet

Dimensions/Setbacks - 80' Lots

- Minimum lot width: 80 feet
- Minimum Lot Depth: 125 feet
- Front Setback: 25 feet
- Rear Setback: 30 feet
- Side Setback: 7.5 feet/7.5 feet

The site has vast amounts of wetlands and may have plants categorized as endangered species.

Utilities

Currently, the watermain is installed within an existing roadway and utility easement, across the property to the south. The watermain and the sanitary sewer are proposed to be extended along the future Zest Street extension to the north side of 125th Avenue NE. The proposed project will need to

connect to the future watermain and sanitary sewer system within the Zest Street extension. In addition, the watermain will be required to be constructed within an easement across the property to the south to create a loop by providing an additional connection to the existing watermain to the south.

Storm water system will be required to be installed to meet City of Blaine and Rice Creek Watershed District specifications.

There is an existing monitoring well on the property adjacent to 125th Avenue that will be required to remain and contained within a dedicated easement.

Access

The project currently proposes to provide access to the future Zest Street extension.

Additional access will need to be set up and planned for a future connection to the proposed Lakes Parkway alignment.

The project currently proposes a trail on the south side of 125th Ave NE. If this trail is a potential proposed emergency access, it will need to receive written approval from Anoka County. In addition, documentation will need to be provided indicating the length of time the emergency access will be permitted and, once removed, how the area will be restored if the trail is removed.

Wetlands/Watershed

The property is known to have existing wetlands onsite. In addition, the property may have threatened and/or endangered species present. The development of the property will be required to avoid these areas when possible and mitigate other areas where permitted. All necessary permits are required prior to any approval being received from the City.

Approval from the Rice Creek Watershed District will be required.

Required Right of Way Dedication

In addition to the dedication of right-of-way for the proposed subdivision streets, additional right-of-way will need to be acquired across a small portion of the property to the east to allow for access to the future Zest Street alignment.

Additional right-of-way dedication over the existing roadway and utility easement for the future Lakes Parkway extension will be required to be provided. Coordination of the potential for cost share for the construction of this section of the future Lakes Parkway will need to continue.

In order to develop as proposed, the following approvals are required:

1. The project will require a rezoning from Farm Residential (FR) to Development Flex (DF).
2. The project will require a land use change from Planned Industrial/ Planned Commercial (PI/PC), approximately 12 acres, to Low Density Residential (LDR) to allow single-family homes.
3. The project requires a preliminary and final plat which will include right of way dedication.
4. If the property is rezoned to Development Flex (DF), a conditional use permit will be required to allow the City Council to review the site and building design and apply conditions if needed.

5. The project will need to receive an issued permit from Rice Creek Watershed District.

Staff Recommendation

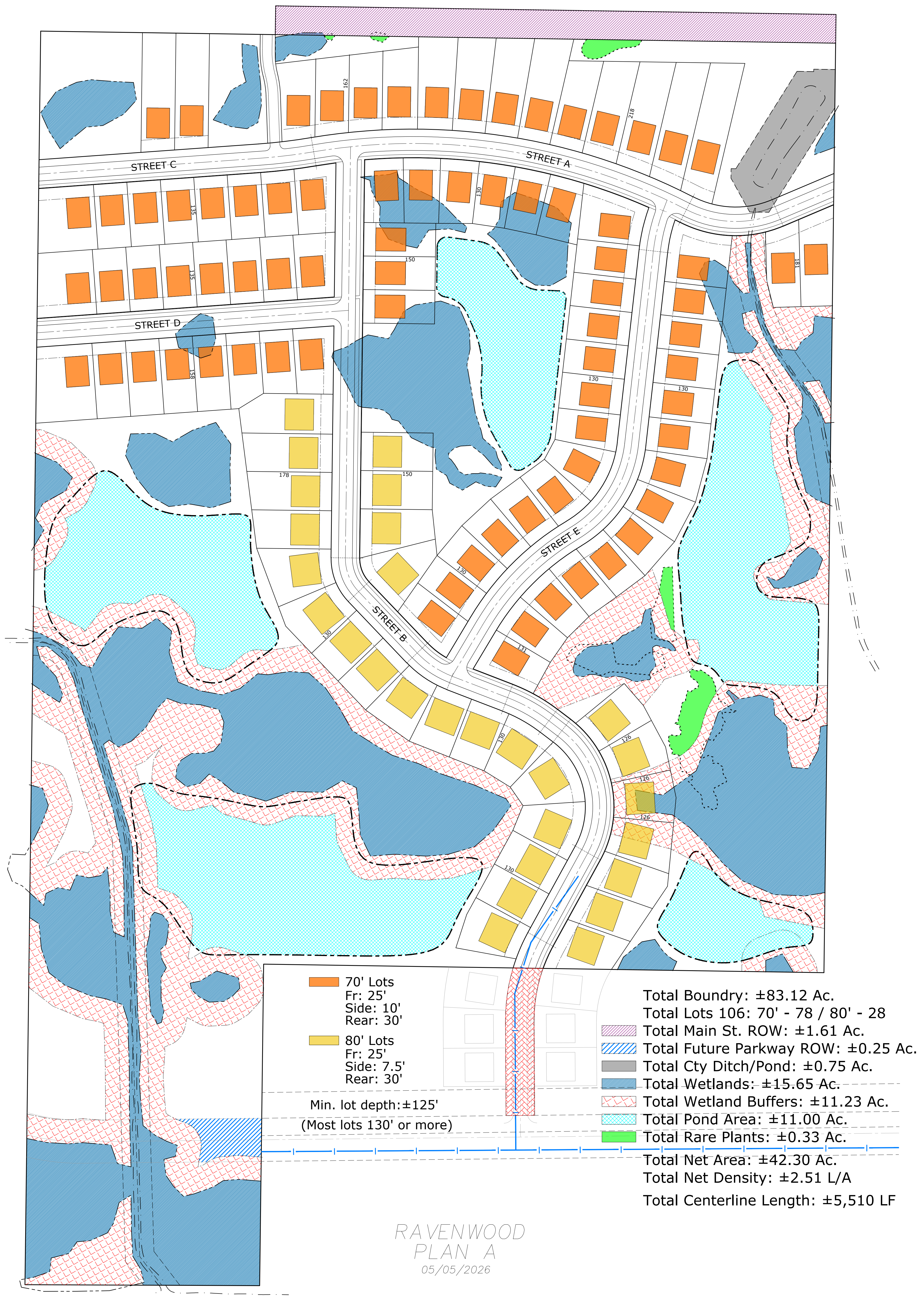
Provide feedback on rezoning, land use change, single-family elevations, and general layout of the proposal.

Questions for Council

1. Does the Council support a land use change from Planned Industrial/ Planned Commercial (PI/PC), approximately 12 acres, to Low Density Residential (LDR) to allow single-family homes?
2. Does the Council support a rezoning to Development Flex (DF)?
3. Does the Council have any feedback on the layout of the site (lot sizes, etc.)?
4. Does the Council have any feedback on single-family elevations?

Attachment List

1. Attachments





McKinley & Kempf Parcels

APPLICATION FOR: Site Plan Review

Blaine, Minnesota
May 8, 2026

Introduction

Pulte Homes of Minnesota, LLC (“Pulte”) is pleased to submit this application in partnership with Jonathan Homes of MN, LLC, for a proposed 106-lot detached, single-family residential development in the City of Blaine, Minnesota. We have worked collaboratively to propose a thoughtfully planned community, with Pulte developing the site and building 78 detached single-family homes on 70’ lots, while Jonathan Homes would construct 28 custom homes on 80’ lots.

Pulte’s company mission statement is **“Building Incredible Places Where People Can Live Their Dreams.”** Pulte sells and builds over 600 homes in the Twin Cities a year under the Pulte Homes and Del Webb brands.

Jonathan Homes is a custom homebuilder based in Andover. Over the past decade, we have built and closed more than 100 homes within the City of Blaine, including neighborhoods such as The Lakes of Radisson and Wagamon Ranch. Our most recent neighborhood, Preserve at Lexington Waters, included a mix of 65’ and 80’ wide lots. This neighborhood has been very successful and is expected to be fully sold out by the end of the year.

We take pride in delivering high-quality homes with features like sports courts and four-car garages, and our team only builds in thoughtfully designed neighborhoods where we know buyers want to live. We feel the team has done an excellent job on the revised site plan featuring 70- and 80-foot-wide lots, especially given the challenges of the wetlands, the high-water table, the need to protect DNR-listed plant species on the property, and the requirement to meet the density requirement of 2.5 units per acre.

We are very excited to continue building in Blaine through our partnership with Pulte Homes and look forward to contributing to another well-planned, successful neighborhood for the community.

The primary contact for Pulte is Haley Daily-Sievers, Manager of Land Planning & Entitlement. City staff have been provided with Haley’s contact information. The primary contact for Jonathan Homes is Nathan Fair. His contact information has been provided to city staff.

The owners of the property are:

- (1) Lisa and Lora McKinley
3900 125th Avenue NE
Blaine, MN 55449

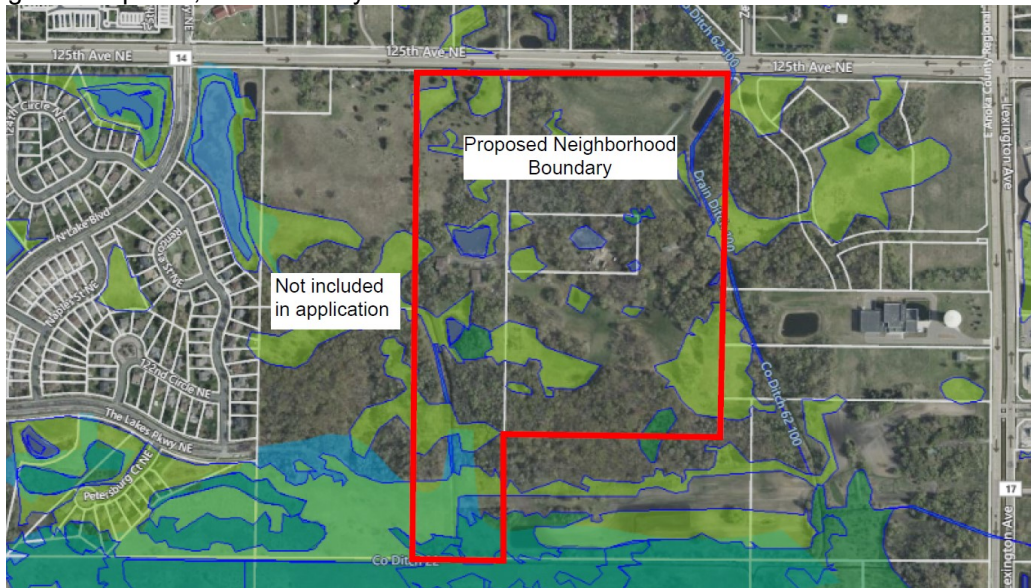
- (2) Jeffery and Susan Kempf
8852 Deer Trail
Pequot Lakes, MN 56472

The planner, surveyor, civil engineer, and landscape architect are:

Carlson McCain
Attn: Brian J. Krystofiak
3890 Pheasant Ridge Drive NE
Suite 100
Blaine, MN 55449

The Property

This site comprises land owned by the Kempf and McKinley families. The Kempf parcel is abstract property, and the McKinley parcels are Torrens property. If the project proceeds, we would make updates to both legal descriptions, as necessary.



Existing Legal Description:

See attached survey

Property Identification Numbers:

- 11-31-23-12-0001
- 11-32-23-12-0002
- 11-31-23-24-0002

Key Facts

- Existing Zoning: Farm Residential
- Guided Land Use: Low-Density Residential and Planned Industrial/Planned Commercial
- Proposed Land Use: Low-Density Residential
- Proposed Zoning: Development Flex (DF)
- Proposed Use: 106 Detached Single-Family Homes
 - 78 – 70' Lots
 - 28 – 80' Lots
- Net Density Calculations:
 - Gross Area: 83.12 acres
 - Main Street ROW: 1.61 acres
 - Future Lakes Parkway ROW: 0.25 acres
 - City Ditch/Pond: 0.75 acres
 - Wetlands: 15.65 acres

| | |
|----------------------------------|------------------------|
| ○ Wetland Buffers | 11.23 acres |
| ○ Stormwater Ponds | 11 acres |
| ○ Rare Plants | 0.33 acres |
| ○ Net Area | 42.30 acres |
| ○ Net Density | 2.51 units/acre |
| ● Dimensions/Setbacks – 70' Lots | |
| ○ Minimum Lot Width | 70 feet |
| ○ Minimum Lot Depth | 125 |
| ○ Front Setback | 25 feet |
| ○ Rear Setback | 30 feet |
| ○ Side Setback | 10 feet/10 feet |
| ● Dimensions/Setbacks – 80' Lots | |
| ○ Minimum lot width | 80 feet |
| ○ Minimum Lot Depth | 125 |
| ○ Front Setback | 25 feet |
| ○ Rear Setback | 30 feet |
| ○ Side Setback | 7.5 feet/7.5 feet |

Site Constraints and Previous Proposals

Pulte’s site plan has undergone several iterations as we worked through different applications with city staff, Commissioners, and City Council. The site presents several inherent challenges that have directly influenced the evolution of the proposed layout. As a result, the multiple revisions reflect a deliberate effort to thoughtfully balance these constraints while advancing a plan that meets City goals and project objectives. The following section outlines the key physical constraints and how they have shaped the overall site planning approach.

Wetlands

There are over 15 acres of wetlands and approximately 11 acres of required wetland buffering between both Kempf and McKinley parcels. These wetlands are regulated by both the Rice Creek Watershed District (RCWD) and the United States Army Corps of Engineers (USACE), each of which enforces strict standards governing potential impacts.

In addition, most of the wetlands present are a part of the RCWD’s Wetland Management Corridor, defined as a “connected, high-priority, landscape-scale wetland, which is managed to protect and improve water quality, biodiversity, and ecosystem health within its 201-square-mile district.” Given the extent and quality of these wetlands, we must minimize impacts as much as possible. Any wetland impacts proposed need to be justified and approved by the RCWD and USACE; the site cannot be developed without these approvals due to State and Federal laws. Balancing these constraints with the need to achieve a viable residential layout and appropriate density has been a central factor driving the evolution of the proposed site plan.

Rare Plant Species

We hired a third-party consultant to assess the property for rare plants, which the Department of Natural Resources (DNR) regulates. The consultant identified state-endangered bristle-berry, state-threatened lance-leaf violet, and watchlist Wheeler’s blackberry. The state-endangered plants require us to apply for a “Take Permit” from the DNR to impact these. In response, the site plan has been refined to avoid rare plants in the northern portion of the property and minimize impacts to other identified areas. The presence of rare plants has been a key factor in the multiple site plan revisions.



Figure 3. Survey Results: state-endangered bristle-berry (green circles/polygons), watchlist Wheeler's blackberry (yellow triangles), and state-threatened lance-leaf violet (blue squares/polygons).

Density Requirements and Comprehensive Plan

The City of Blaine's 2040 Comprehensive Plan currently guides the site as Planned Industrial/Planned Commercial (PI/PC) and Low-Density Residential, which requires a minimum density of 2.5 units per acre. Our proposal would require a Comprehensive Plan Amendment (CPA) to reguide the northeast portion of the site from PI/PC to Low-Density Residential. If the project moves forward, the CPA is subject to Metropolitan Council review and approval. The Metropolitan Council would require that the minimum density of 2.5 units per acre be achieved since this is the defined density range in the City's approved 2040 Comprehensive Plan. We have heard, in some cases, that the MET Council has coordinated with the Minnesota Pollution Control Agency to withhold sewer permits when densities are not met.

Additionally, when looking ahead, the Metropolitan Council's Imagine 2050 framework designates Blaine as "Suburban Edge," which is expected to raise minimum density requirements to approximately 3.5 units per acre. Our previous proposals have sought to balance product type, site constraints, and density requirements set by the Metropolitan Council. Our revised site plan of 70' and 80' lots is designed to meet the current density requirements and is at 2.51 units per acre and will be discussed further in the site plan.

Neighboring Developments

The development to the east of the proposed neighborhood is planned for a mix of retail and commercial uses. As development transitions from east to west across these parcels and into the McKinley/Kempf site, intensity appropriately decreases. A commonly accepted planning approach is to locate smaller housing types adjacent to commercial areas to serve as a buffer between higher-intensity uses and larger-lot single-family homes.

We also recognize that the Lakes community to the west is a key part of the surrounding context. As shown in the map below, the Lakes includes a mix of housing types and lot sizes ranging from approximately 40 to 80 feet, as well as higher-density products such as quads, apartments, and townhomes. Within that development, housing transitions from higher-density products near busier roadways to larger single-family homes further inward. Our proposal follows these same planning principles. The site plan has been revised to locate 70' lots along the eastern portion of the property, adjacent to Main Street, with 80' lots introduced as the development transitions west, creating a compatible, gradual shift in density.



The constraints outlined above, along with surrounding land uses, have contributed to the multiple site plan iterations the City has reviewed. The following section summarizes prior concepts and feedback, as well as the meaningful and thoughtful revisions made to better align the new proposal with community needs and the City’s vision and goals.

May 2025 Concept Plan Submittal

- Proposed a blend of townhomes and single-family homes on 65’ lots
- 174 Units
 - 65’ Lots – 83
 - Townhomes – 91

City Council feedback at the May 2025 work session indicated a preference for a site plan featuring larger lots, more upscale homes, and a neighborhood without townhomes. In the months following that review, we met with several Council Members to discuss potential revisions and to better understand the site’s constraints.

Those discussions included exploring the concept of converting wetlands into manmade “lakes,” similar to patterns seen in the Lakes development to the west. While we recognize the visual and amenity value of such features, further evaluation with our consultants determined that this approach is not feasible on this site. The Lakes neighborhood to the west was previously a sod field, and when it developed, very little of it was a regulated wetland. Since the soil was poor (peat), the peat had to be stripped, and then the sand beneath was mined. Mined sand was used to make the new upland topography, and then the holes where sand was mined are now “lakes.” Working around wetlands was not something the project layout needed to consider.

However, in the McKinley/Kempf parcels, there are extensive natural wetlands and rare plants. These wetlands need to be worked around as much as possible to satisfy wetland sequencing and obtain permits from the watershed and the Corps of Engineers, which is why the option of impacting these wetlands to create “lakes” as done in the development to the west is not feasible.

October 2025 Concept Plan & December 2025 Preliminary Plat, CPA, Rezoning and CUP Submittal

- Proposed a blend of twinhomes and single-family homes on 70’ lots
- 135 Units
 - 70’ Lots – 79
 - Twinhomes – 56

At the second concept plan review and subsequent application, we introduced a revised site plan featuring upscale, move-up single-family homes on 70’ lots, along with a carefully designed twin home product intended to appeal to empty-nester buyers. This concept reduced overall density, continued to

preserve on-site wetlands, and introduced a higher-end housing mix. While we felt the plan was generally better received, we recognize that the inclusion of attached housing remained a concern for the City Council and did not fully align with the previously established vision for this area.

80' Site Plan Only

We understand that larger 80' lots are an important component of the City Council's vision. However, due to site constraints and minimum density requirements, it is not feasible to develop the property exclusively with 80' lots. We have evaluated multiple site plan iterations in an effort to achieve this objective, but the constraints of the site prevent a compliant all 80' layout. As shown in the supplemental exhibits and density calculations, such a plan would not meet the City's minimum density requirements nor gain approval from the Metropolitan Council.

However, in response to the previous City Council feedback, we have developed a revised site plan that thoughtfully balances these constraints while delivering a high-quality residential product that aligns with multiple City goals, while respecting the site's environmental limitations.

Revised Site Plan

Based on feedback received thus far, all attached housing products have been removed from the proposed neighborhood. In revising the site plan, we carefully considered City Council input alongside key site constraints, including density requirements, rare plant areas, wetlands, and adjacent land uses. The resulting plan seeks to thoughtfully balance these factors while advancing the City's vision.

The revised proposal includes 106 detached, single-family homes composed of 78 - 70' lots and 28 - 80' lots. Additionally, we have partnered with Jonathan Homes, a custom home builder with prior experience in the City of Blaine, to further enhance the community's quality and character. Jonathan Homes would build on all 28 - 80' lots, while Pulte would build on the 70' lots.

Lot Size & Density

We have removed all attached products from the proposed site plan. In lieu of the attached product, we are proposing a combination of 70' and 80' lots. Once you exclude the allowable items, our proposed density is 2.51 units per acre, which meets the minimum requirement of the Low-Density Residential guidance. While we are unable to meet density requirements with all 80' lots, we are proposing 28 - 80' lots to provide larger lot sizes, which we understand is an important goal of the city. The 70' lots would have a 10'/10' side yard setback, while the 80' Jonathan Home lots would have a 7.5'/7.5' side yard setback. Specific product details and renderings will be discussed further in the narrative below.

Stormwater Management

We are proposing public stormwater ponds to meet all watershed and city engineering requirements. When removing the attached product and private street, we were able to increase the size of the ponds. This not only helped our density calculations, since the ponds are larger and can be excluded, but also allows for large ponds that will enhance the overall character of the development. The site now features 11 acres of ponds, creating a unique, visually interesting view throughout the community.

Wetlands and Rare Plants

As noted, the site contains extensive wetlands and identified rare plant species. Earlier site plans had fewer wetland impacts; however, to meet minimum density requirements, the current proposal includes a greater level of wetland impact. Previous plans received conditional approval from the Rice Creek Watershed District and the U.S. Army Corps of Engineers, and if this project advances, additional coordination will be required to determine whether the proposed impacts remain approvable.

At the same time, the revised plan increases preservation of identified rare plant areas, which we believe provides a meaningful environmental benefit. Coordination with the Minnesota Department of Natural Resources will also be required to update permitting as the project progresses.

We recognize the importance of balancing environmental protection with the need to provide housing and will continue working closely with all regulatory agencies to achieve a compliant and responsible outcome.

Site Access

Access to the site would primarily be via a connection to Zest Street to the east. This right-of-way (ROW) exists today and serves as a connection point that we need to align with, which influenced our overall street network. In addition to the Zest connection, a temporary emergency access is proposed on Main Street. In the future, Lakes Parkway, located south of the McKinley property, will be constructed, providing a permanent secondary access point. When Lakes Parkway is constructed, temporary access from Main Street will no longer be needed and will be removed. Additionally, if this application progresses, we would propose dedicating the ROW to the Kempf parcel, which would be required for future Lakes Parkway construction.

Utilities

Based on our understanding, utilities are located adjacent to the site to serve the proposed neighborhood. Additionally, we realize that we would be required to connect to the watermain that exists south of the properties. We have secured the easement from the off-site landowner and will be able to meet this requirement if this project moves forward.

Park Dedication

If the application were to move forward, we would anticipate paying park dedication fees in lieu of dedicating land.

The Homes

Pulte Homes is known for the extraordinary steps that we take to ensure that we are designing and building homes that meet the needs and desires of home buyers. We continually reach out to home buyers and Pulte homeowners to get feedback to improve our home designs. It is what we call Life Tested®. Through this intensive process, we have conceived of and incorporated innovative features such as the Pulte Planning Center, the Everyday Entry, Super Laundry, Oversized Pantry, and the Owner's Retreat. Click on this link to learn more about Life Tested® process [Experience Life Tested | Pulte](#). This exhaustive process has played a major part in Pulte's success in "***Building Incredible Places Where People Can Live Their Dreams.***"

Pulte Homes on 70' Lots

We are proposing to build our move-up, single-family homes on the 70' lots. Our product would have LP siding on all 4 sides, with stone accents on the front of the homes, and 3-stall garages on each home. Additionally, our proposed homes would feature varying roof pitches and more than 30 color schemes to ensure a diverse, unique feel for the development. We anticipate these homes selling from the high \$600k's to the mid \$700k's.

70' Lots – Pulte Home

- 2,323 to 3,300 square feet (*excluding basement square footage*)
- 4 to 7 bedrooms
- 2 to 5 bathrooms
- 3-stall garage
- LP siding on all 4 sides
- Stone accents on the fronts of the homes

80' Lots - Jonathan Homes

- 4,014 to 4,974 square feet
- 5 to 7 bedrooms
- 4 to 5 bathrooms
- 3 to 4 stall garages
- LP siding on all 4 sides

- Stone accents on the fronts of the homes
- Sport Zone option
- Full landscape package

Conceptual Home Elevations

Please refer to the pages following the “Summary” section for renderings of the proposed homes.

Future Proposed Land Use and Zoning

If this project were to progress, we would apply for a Comprehensive Plan to reguide the northeast portion of the McKinley parcel from Planned Industrial/Planned Commercial to Low-Density Residential. Additionally, we would apply for Dwelling Flex Zoning, which would allow the City Council greater input into the architectural requirements versus a straight zoning application.

Phasing & Schedule

The City of Blaine’s application schedule suggests that staff review, and possible planning commission and council consideration would occur as follows:

| | |
|---------------------------|--------------------------------|
| Concept plan work session | Early Summer 2026 |
| Preliminary plat review | Late Summer 2026 |
| Site development | Spring 2027 |
| Model home opens | Late Summer to early Fall 2027 |
| Full build of homes | Early 2030 |

PROPOSED HOMES



PROPOSED HOMES



PROPOSED HOMES



PROPOSED HOMES



Available Front Elevations



AMERICANA



COTTAGE



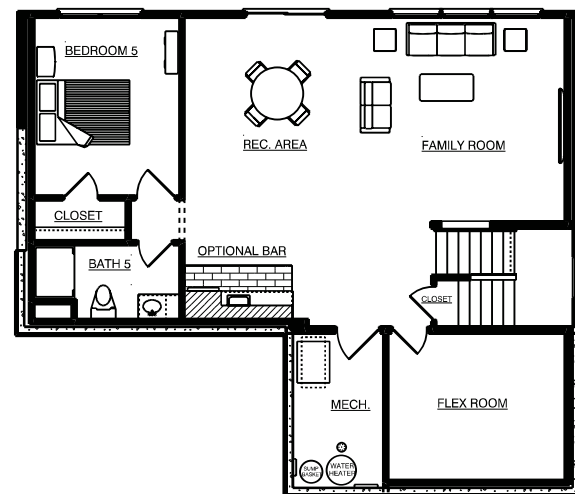
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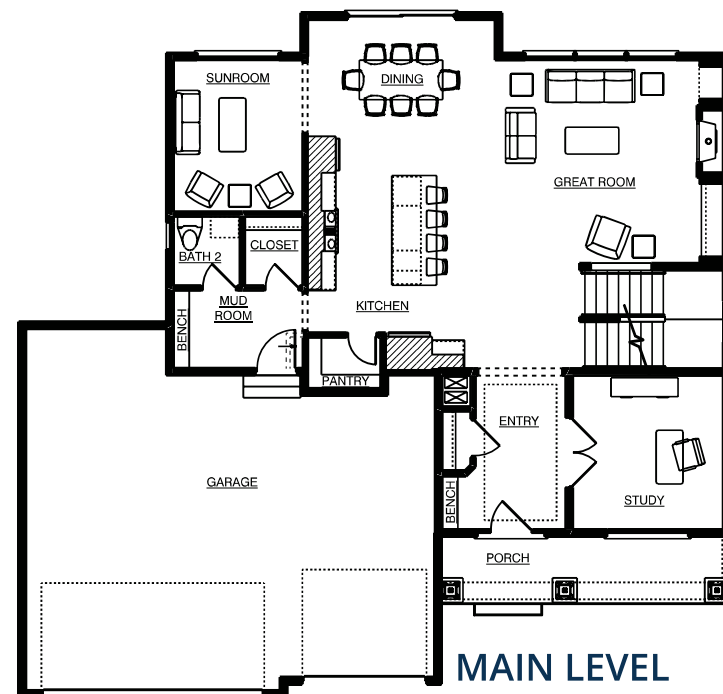
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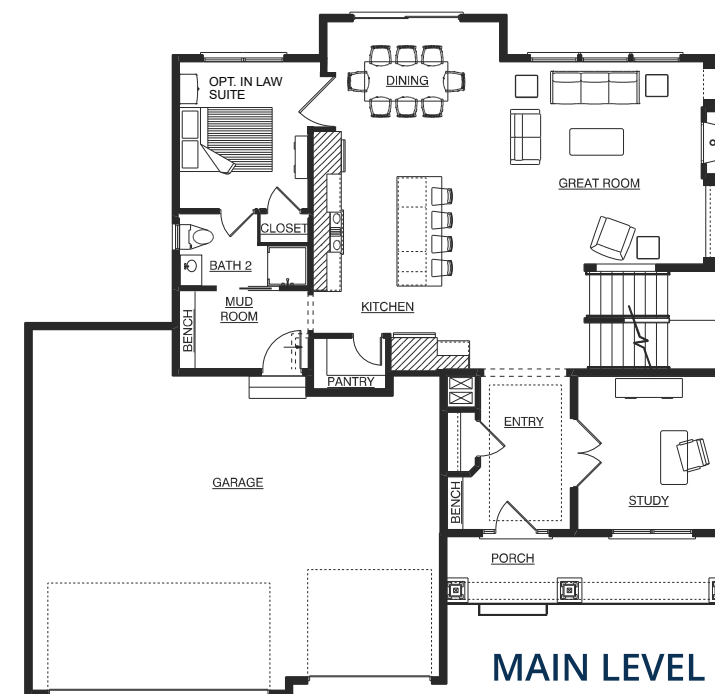
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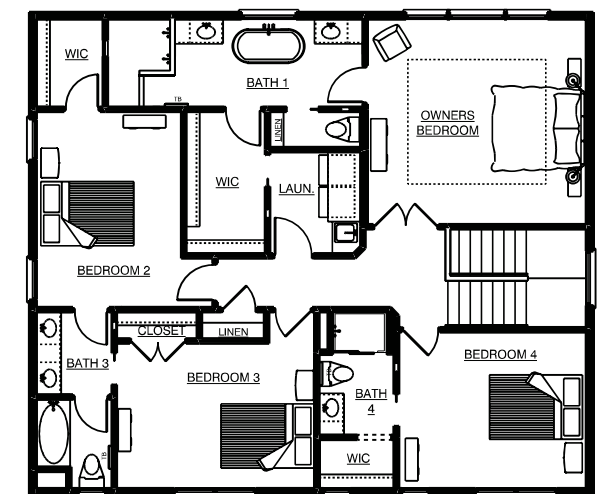
LOWER LEVEL
1,150 FSF



MAIN LEVEL
1,327 FSF



MAIN LEVEL IN LAW SUITE OPT
1,327 FSF



UPPER LEVEL
1,524 FSF

Available Front Elevations



AMERICANA



ARTS & CRAFTS



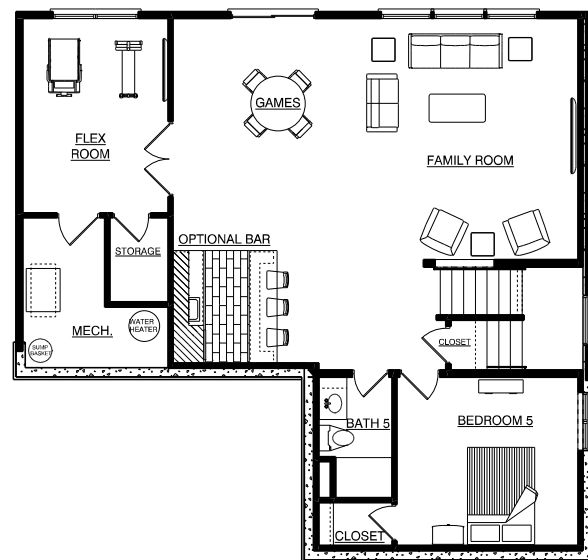
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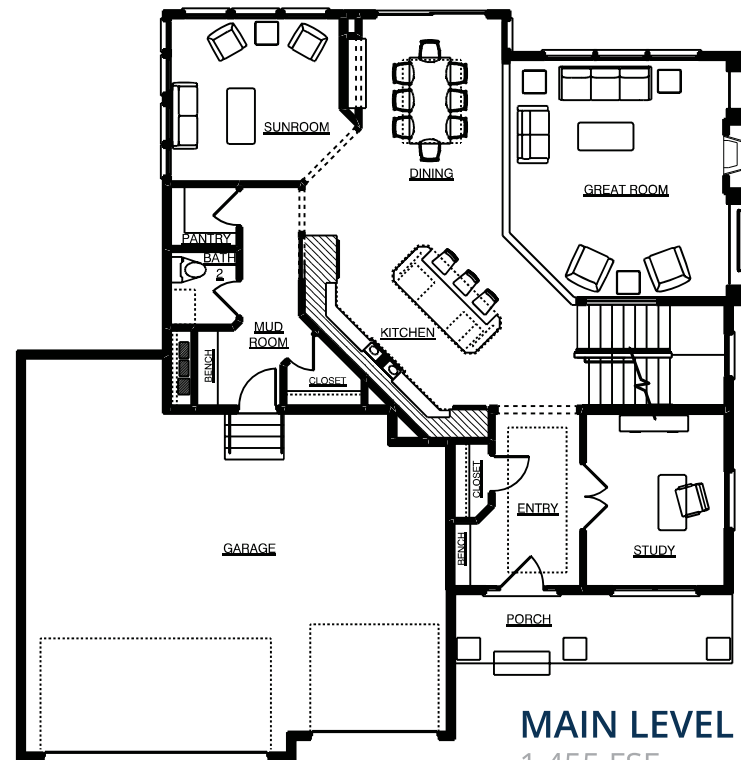
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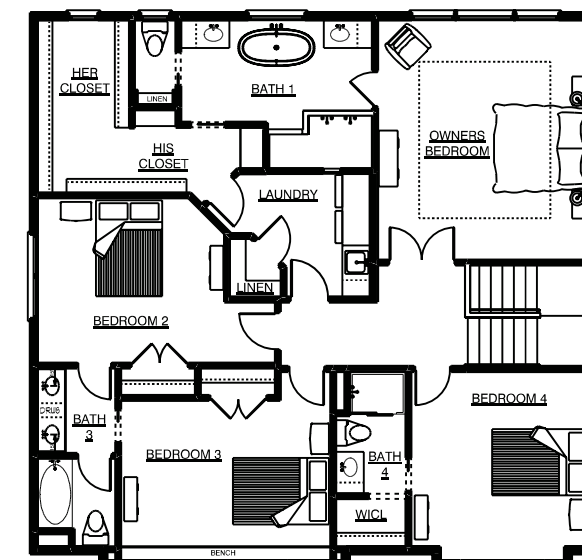
STORYBOOK



LOWER LEVEL
1,238 FSF



MAIN LEVEL
1,455 FSF



UPPER LEVEL
1,617 FSF

Available Front Elevations



AMERICANA



ARTS & CRAFTS



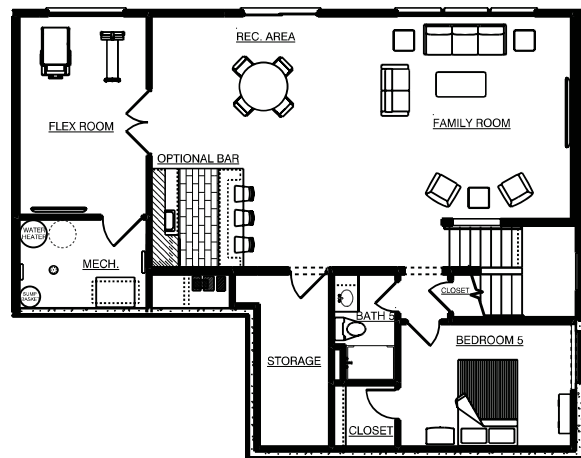
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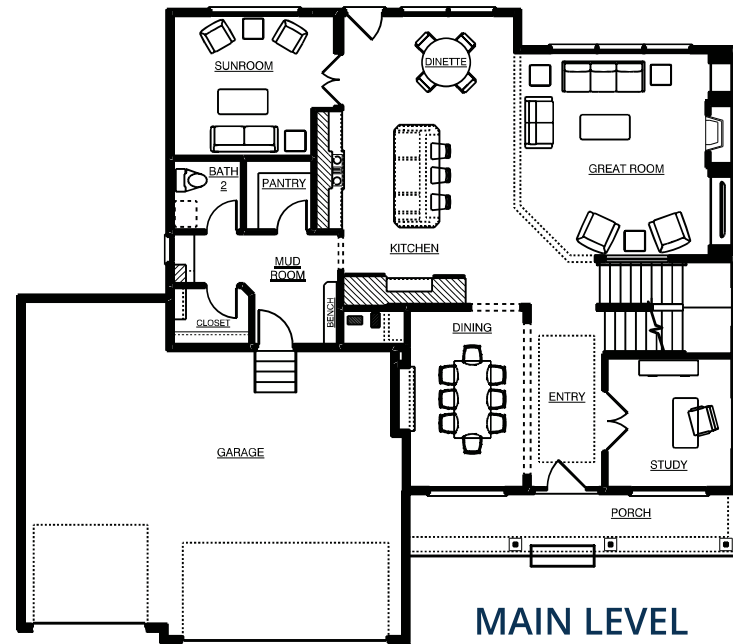
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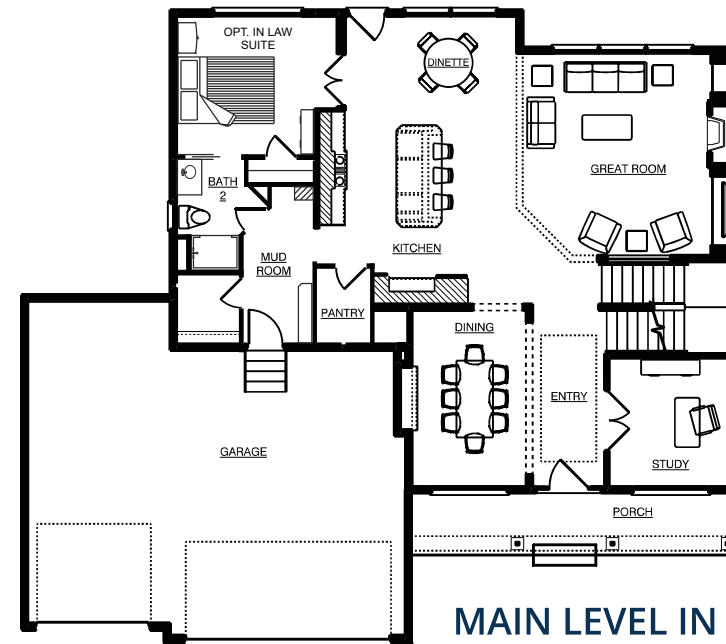
STORYBOOK



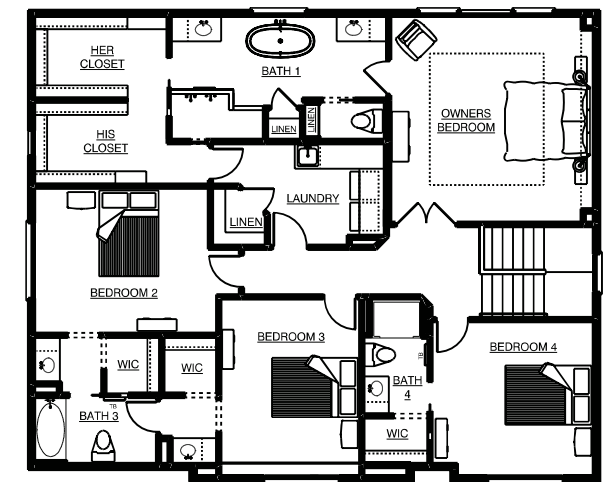
LOWER LEVEL
1,304 FSF



MAIN LEVEL
1,529 FSF



MAIN LEVEL IN LAW SUITE OPT
1,529 FSF



UPPER LEVEL
1,727 FSF

Available Front Elevations



ARTS & CRAFTS



COTTAGE



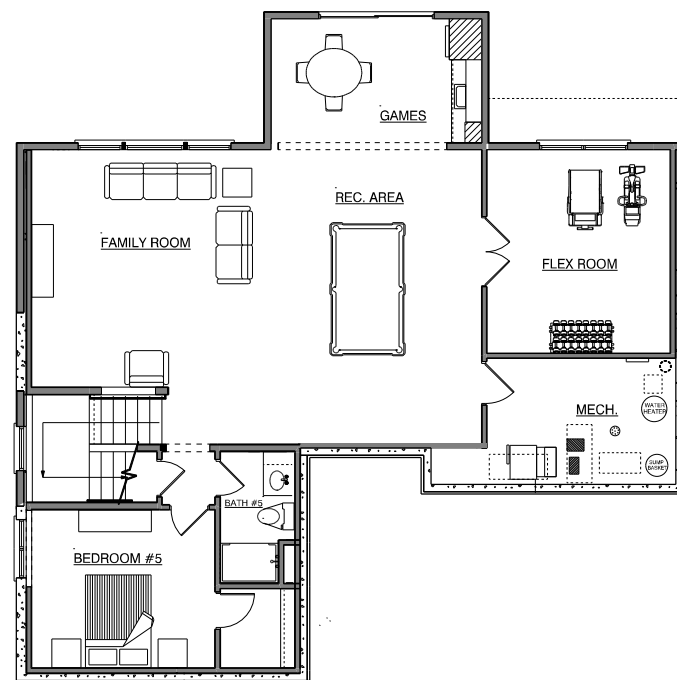
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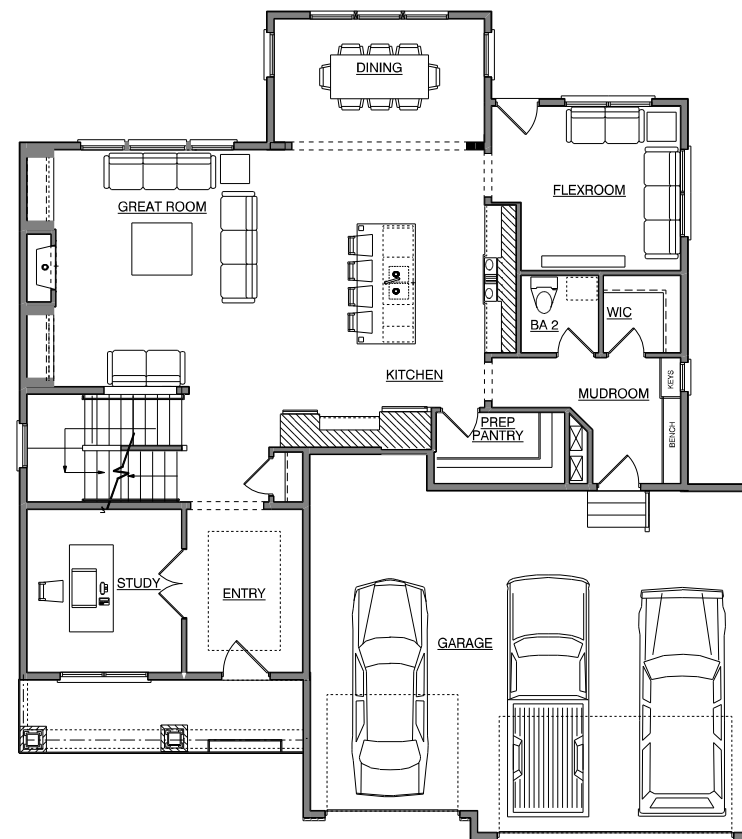
STORYBOOK



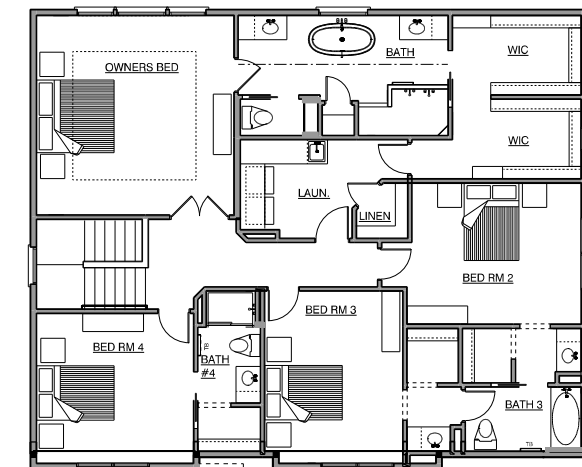
TRADITIONS



LOWER LEVEL
1,303 FSF



MAIN LEVEL
1,515 FSF



UPPER LEVEL
1,728 FSF

Available Front Elevations



AMERICANA



ARTS & CRAFTS



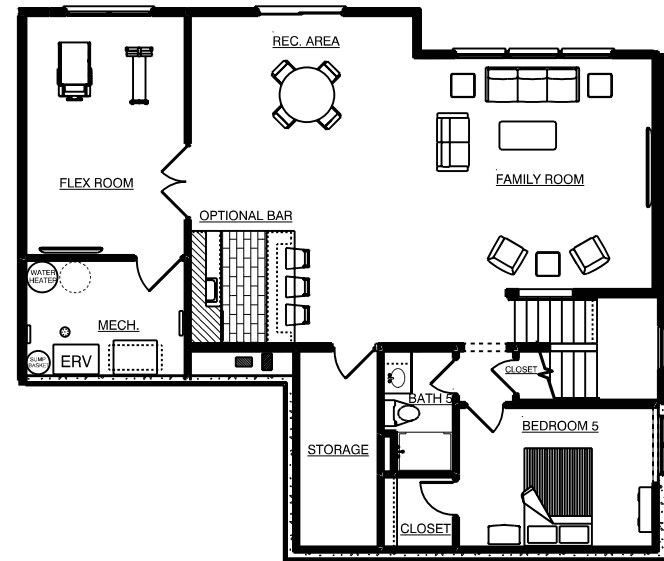
COTTAGE



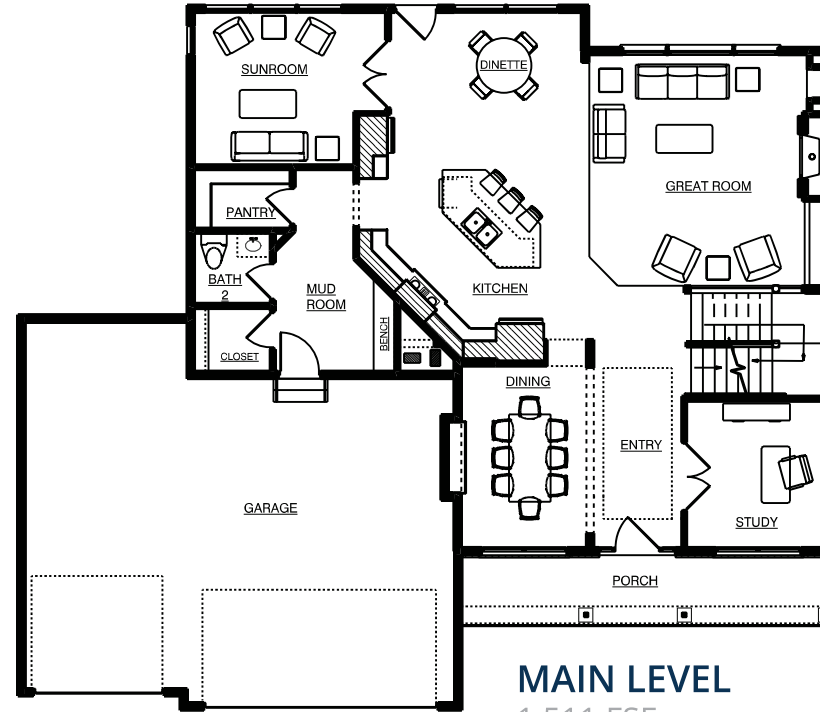
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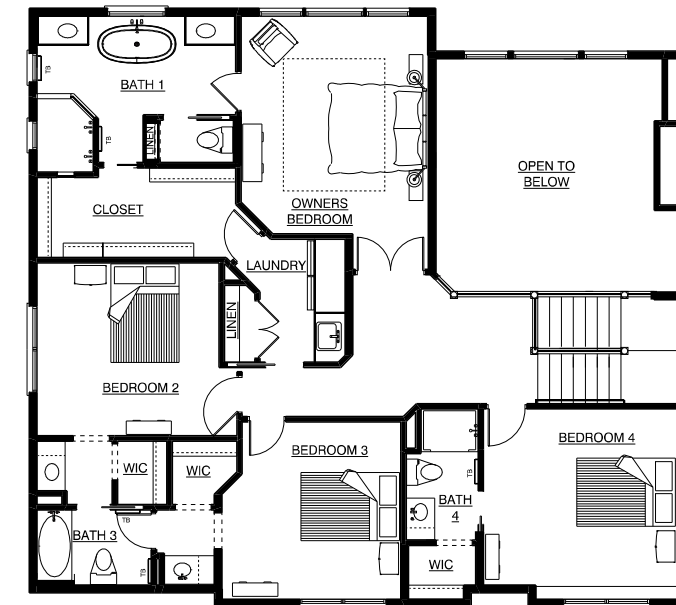
STORYBOOK



LOWER LEVEL
1,361 FSF



MAIN LEVEL
1,511 FSF



UPPER LEVEL
1,570 FSF



City of Blaine Staff Report

File Number: 2026-126

| Agenda Date | Status |
|--------------|---------------|
| June 8, 2026 | |
| In Control | File Type |
| City Council | Workshop Item |

New Business - Jerome Krieger, Park and Recreation Director

Agenda Item # 3.2

Jim Peterson Park Improvements Project (30 Minutes)

Background

This item was tabled at the June 1, 2026 City Council meeting to be brought back for the workshop on June 8, 2026. The council identified certain things they'd like to discuss at the workshop, including project scope and use of park dedication funds. Information will be presented at the workshop on legal use of park dedication funds.

The City Council previously approved a budget for the Parks Capital Improvement Program for the Jim Peterson Park Improvements in 2023, 2024, and 2026. City Council awarded WSB a contract to prepare final design of plans and specifications with File Motion No. 2025-132 on June 2, 2025.

Improvements will include construction of a paved ice rink, parking lot expansion (to accommodate lack of parking for baseball games and tournaments), water and sanitary sewer extensions to a warming house/concession building (to be discussed in the future), storm sewer improvements and construction of a stormwater basin.

Bids were received electronically at 2:00PM, May 14, 2026, for Project No. P2606. A total of 12 bids were received, ranging from \$395,661.17 to \$735,110.45. The following three (3) lowest bids were received (full bid tabulation attached) and engineer's estimates are as follows:

City Council is also asked to approve a 10% contingency to bring the total project budget to \$435,227.29. The funding sources for this project are the Parks Capital Improvement Program budget funds and there are sufficient funds budgeted to cover these costs.

The project has been included in requests through the City's Capital Improvement Plan (CIP) in 2023, 2024, and 2026 within the Parks Development Fund (404), which receives its operating revenues solely through park dedication fees. No property tax dollars are allocated to this fund. This project was previously identified in the CIP as projects PRK230500 - Jim Peterson Field and Hockey Lighting, PRK230600 - Jim Peterson Hockey Rink, and P2606 - Jim Peterson Parking Lot Expansion, with appropriations of \$335,000 in 2023, \$625,000 in 2024, and

\$174,950 in 2026, bringing the total project budget to \$1,134,950. To date, \$327,174 has been encumbered among the projects. Budget and encumbrances are detailed in the table below:

| Project | 2023 | 2024 | 2025 | 2026 | Total |
|--|-----------|-----------|------|-----------|-------------|
| Jim Peterson Field and Hockey Lighting (PRK230500) | \$335,000 | \$475,000 | \$0 | \$0 | \$810,000 |
| Jim Peterson Hockey Building (PRK230600) | \$0 | \$150,000 | \$0 | \$0 | \$150,000 |
| Jim Peterson Parking Lot Expansion (P2606) | \$0 | \$0 | \$0 | \$174,950 | \$174,950 |
| Totals | \$335,000 | \$625,000 | \$0 | \$174,950 | \$1,134,950 |

Staff Recommendation

Give direction to staff on what needs to change within this project to move the bid forward.

Questions for Council

What questions or concerns does council have about the project?
 What are the changes that need to be made to move this project forward?

Attachment List

1. 2025 - 2026 Skating Numbers
2. Jim Peterson Aerial View
3. RINK_PARKING W_WSB 90%Layout

2025/26 WINTER SKATING ATTENDANCE SUMMARY

| | | DAYS | GENERAL | | HOCKEY | | TOTAL | |
|---------------------|-------|-----------|-------------|--------------|-------------|---------------|-------------|---------------|
| PARK | MONTH | OPEN | SKATERS | AVG/DAY | SKATERS | AVG/DAY | SKATERS | AVG/DAY |
| Happy Acres | Dec | 8 | 113 | 14.12 | 378 | 47.25 | 491 | 61.37 |
| 3 Hockey | Jan | 20 | 570 | 28.50 | 1132 | 56.60 | 1702 | 85.10 |
| 1 General | Feb | 12 | 321 | 26.75 | 812 | 67.66 | 1133 | 94.41 |
| Totals | | 40 | 1004 | 25.10 | 2322 | 58.05 | 3326 | 83.15 |
| Ostmans | Dec | 8 | 39 | 4.87 | 65 | 8.12 | 104 | 13.00 |
| One Hockey | Jan | 20 | 46 | 2.30 | 94 | 4.70 | 140 | 7.00 |
| One General | Feb | 12 | 39 | 3.25 | 59 | 4.91 | 98 | 8.16 |
| Totals | | 40 | 124 | 3.10 | 218 | 5.45 | 342 | 8.55 |
| Aurelia | Dec | 8 | 23 | 2.87 | 42 | 5.25 | 65 | 8.12 |
| One Hockey | Jan | 20 | 62 | 3.10 | 126 | 6.30 | 188 | 9.40 |
| One General | Feb | 12 | 51 | 4.25 | 87 | 7.25 | 138 | 11.50 |
| Totals | | 40 | 136 | 3.40 | 255 | 6.37 | 391 | 9.77 |
| Jim Peterson | Dec | 8 | 126 | 15.75 | 276 | 34.50 | 402 | 50.25 |
| One Hockey | Jan | 20 | 425 | 21.25 | 735 | 36.75 | 1160 | 58.00 |
| One General | Feb | 12 | 191 | 15.91 | 374 | 31.16 | 565 | 47.08 |
| Totals | | 40 | 742 | 18.55 | 1385 | 34.62 | 2127 | 53.17 |
| Lexington | Dec | 8 | 98 | 12.25 | 301 | 37.62 | 399 | 49.87 |
| Athletic Comp | Jan | 20 | 378 | 18.90 | 489 | 24.45 | 867 | 43.35 |
| One Hockey | Feb | 12 | 179 | 14.91 | 249 | 12.45 | 428 | 21.40 |
| One General | | | | | | | | |
| Totals | | 40 | 655 | 16.37 | 1039 | 25.97 | 1684 | 42.35 |
| Grand Totals | | 40 | 2661 | 66.52 | 5219 | 130.47 | 7870 | 196.75 |

Jim Peterson Park – Aerial View

Anoka County Parcel Viewer

Ask Gemini

https://gis.anokacountymn.gov/propertysearch/

Blaine Managed Favorites | Vanderbilt bright blue | New Tab | Anoka County Parce... | Insider Simple Nav | Health Account Ben... | Airtable | confirm your identit... | MAYC - Home | ExecuTime | ExecuTime Enterpris... | Compensation - Ho...

Anoka County Parcel Viewer

← Select a layer to search

52

RADISSON RD NE
RADISSON RD NE

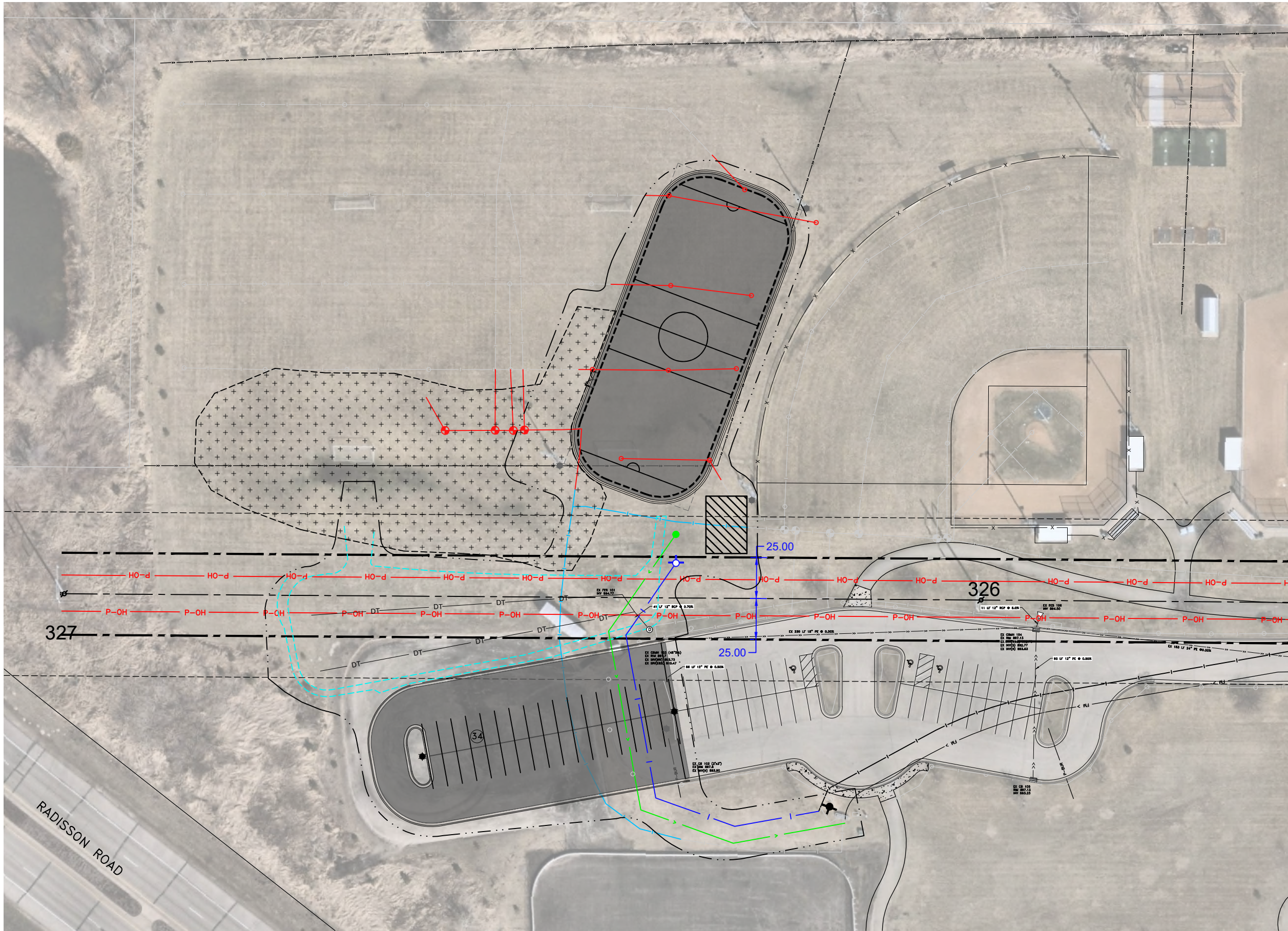
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512,467,354 157,371,239 Feet

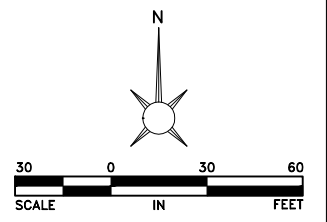
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Page 28 of 38

Jan 15, 2026 - 10:43am
 T:\Park and Rec\park and rec file cabinet\PARKS Construction\JIM PETERSON ATHLETIC COMPLEX\Hockey_Rink & Parking\Preliminary\AUTOCAD\RINK_PARKING_W_WSBLayout.dwg



- EXISTING IRRIGATION SUPPLY LINE
- RELOCATE IRRIGATION LINE
- RELOCATE IRRIGATION VALVE
- RELOCATE IRRIGATION HEAD
- GRADING LIMITS
- NEW CURB AND GUTTER
- NEW CONCRETE
- NEW PAVEMENT
- FREE SKATE RINK
- GRAVEL PATH
- NEW STREET LIGHT
- EXISTING OVERHEAD POWER LINE AND POLE (GRE)
- POWER POLES CENTERLINE
- POWER LINE MIN. OFFSET
- GRE EASEMENT LINE (APPROX)
- POSSIBLE WARMING HOUSE (APPROX. 800-900 sf)
- PROPOSED WATER (6")
- PROPOSED SANITARY (1 1/2")
- PROPOSED STORM BASIN
- PROPOSED STORM DRAINTILE



| DATE | REVISION | PROJECT NO. |
|------|----------|---------------------------------|
| | | DESIGN BY: BML DRAWN BY: BML |
| | | CHECKED BY: APPROVED BY: |
| | | AS BUILT BY: |

PROPOSED OVERALL PLAN EXHIBIT
 CITY PROJ. NO. 24-XX
 JIM PETERSON PARK RINK AND PARKING LOT
 SHEET NO. 2 OF 2 SHEETS



City of Blaine Staff Report

File Number: 2026-127

| Agenda Date | Status |
|--------------|---------------|
| June 8, 2026 | |
| In Control | File Type |
| City Council | Workshop Item |

New Business - Jason Zimmerman, Finance Director

Agenda Item # 3.3

2027 Budget - General Fund Budget and City Tax Levy (90 Minutes)

Background

At the February 18 City Council Workshop, staff outlined a draft 2027 budget calendar and several process improvements. Following this, the City Manager and Finance Department held small-group sessions with Council members throughout late March and early April to align on data-driven assumptions for operating, capital, and debt requirements, specifically focusing on maintaining current service levels. These discussions culminated in a new set of Council-driven considerations and themes for the 2027 budget, which were reviewed at the April 13 City Council Workshop and are outlined below:

- Support for equitable staff compensation & professional development
- Levy increases to support the reduction of debt; not new spending
- Control costs through innovation & process improvement
- Reduce reliance on the property tax levy
- Leverage unrestricted reserves to fund nonrecurring items
- Prioritize core municipal functions & customer service
- Sustained investment in previously deferred infrastructure improvements
- Consider future budgets and levies beyond 2027
- Continue periodic review of budget to actuals

This first formal workshop begins the annual process of aligning City Council priorities with financial resources, ensuring the city delivers high-quality services at a responsible tax level. While these early discussions rely on preliminary numbers and assumptions, they establish clear expectations for staff and create a more efficient path forward. Feedback from this session will directly shape the development of the City Manager's 2027 budget recommendation, scheduled for presentation at the August 10 City Council Workshop. If further review is needed, additional time is available during the

September 9 Workshop before the preliminary tax levy is formally certified at the September 21 City Council meeting.

Because this document is being prepared in late May, many assumptions continue to be made based on trends in prior years' financial performance. Several factors may impact the final budget, including legislative changes, state mandates, economic shifts, and union negotiations. Estimated assessed values for taxes payable in 2027 have not been provided by the county assessor, so at this time staff is unable to prepare an estimated tax capacity rate or impact scenario on the median valued single-family home. Additionally, metro-wide fiscal disparity information isn't anticipated until sometime in late August, which staff also need to calculate an accurate estimate of tax rate/impact.

In addition to the 2027 specific concepts shared by the Council, staff continue to hold these fundamental fiscal principals throughout the year:

- Evaluate and acknowledge both the short and long-term impacts of all budgetary decisions
- Stabilize revenues and expenditures, and eliminate unanticipated variances
- Fund operations at a level to provide quality services at a reasonable cost
- Preserve structural balance and appropriate fund balance levels to mitigate future risks
- Consider additional investments when they help achieve the city's goals and provide a significant return to the community
- Seek to make a connection between resources and results

Also discussed at the February 18 workshop was the creation of a budget subcommittee which was supported by council. Mayor Sanders selected Council members Fleming, Massoglia and Robertson to be part of the subcommittee. The purpose of the group is to provide guidance on council presentations and what information is most important for council to make decisions and introduce budget concepts that would be presented to the full council for discussion. This group met in late May to review the June 8 workshop materials and discuss various policy items which relate to future budget discussions about capital and debt.

Rebalancing City Finances and Long-Term Fiscal Stewardship

Rather than simply keeping taxes as low as possible, a responsible tax levy protects a community's long-term fiscal health by balancing immediate budgetary realities with the funding required for sustainable infrastructure and service expectations. Over time, a steady and balanced approach to the levy stabilizes a municipality's fiscal outlook by ensuring that everyday operational expenditures are covered by reliable, recurring revenues, while macroeconomic realities, such as inflation on construction materials, fuel, and critical software systems, are accounted for. This disciplined approach protects property owners from the costly "rollercoaster effect" by avoiding years of suppressed levies that inevitably trigger steep, compounding tax spikes down the road when deferred demands catch up to reality. By embedding dedicated funding for vital infrastructure directly into the annual levy, a city can build a proactive, cash-funded capital framework that lowers its long-term reliance on high-interest debt, ultimately saving taxpayers substantial interest costs over time.

While the budget in its current state results in a levy that is marginally lower than the amount set for 2026, it follows near 15% levy increases for both 2024 and 2025 collection years. This levy trend was born out of significant deficits in the city's operating funds, incomplete comprehensive long-term capital

planning, and no spending on new initiatives. Today's decisions are heavily pressured by the urgent need to get caught up on neglected utility infrastructure maintenance, the acquisition of specialized equipment to deliver essential city services, and to identify sustainable funding for the city's Pavement Management Program. Simultaneously, the city faces the compounding operational responsibility of maintaining over 1,130 acres of parkland, 65 parks, 270 lane miles of local roadway, four water treatment plants, three water towers, 30 sewage lift stations, over 150 miles of sanitary sewer lines, and more than 700 stormwater ponds, all while providing the essential public safety presence required for Blaine to remain a vibrant, safe, and desirable community for visitors, residents, and industry. Trying to address these long-standing capital deficits while attempting to balance the immediate tax impact requires long-term discipline.

Adding further complexity to this cycle is a competitive metropolitan labor market, which poses serious recruitment and retention challenges for critical municipal operations. Because city services depend heavily on specialized human capital, personnel represents both the city's greatest strategic asset and its single largest ongoing operational expense. Blaine must continuously navigate a regional environment where neighboring metro cities actively compete for identical municipal resources and talent, driving up market-rate wages and benefit expectations across all departments. Managing the tax levy without fully accounting for these regional labor dynamics risks hollowing out the skilled workforce required to manage multi-million-dollar infrastructure networks and public safety teams.

Although recent analysis of property taxes paid by our average homeowner continues to show that Blaine provides an exceptional return on investment compared to similarly sized metropolitan communities, the recent rate of increase is unprecedented. The financial concerns raised by constituents resonate deeply with the choices made by the Council and the recommendations brought forward by staff. This feedback raises the bar on the city's responsibility to be excellent stewards of public funds. It highlights the direct tax levy pressures residents have felt and reinforces the urgent need to continue rebalancing the city's finances. Fortunately, based on recent financial and tax levy modeling, the potential exists for a continued easing of these annual adjustments, indicating that the most significant rates of increase are now behind us.

To maintain this trajectory, the city must continue moving away from reactionary spending and a heavy reliance on debt, transitioning instead toward a model focused on prudent planning and the pre-funding of capital expenditures. This budget, like those of the last few years, makes significant strides toward that goal. The resulting impact is not primarily driven by new operational spending, but rather by a strategy to reduce borrowing. By establishing a long-term path to financial independence, this approach focuses on eliminating the long-term interest and borrowing costs associated with debt, ensuring that future taxpayer dollars are directed toward tangible community benefits rather than financing charges. Ultimately, achieving the Council's long-term vision requires balancing a sustainable tax level with the challenging operational costs of maintaining Blaine's foundational infrastructure and professional workforce.

2027 Tax Levy

On April 27, City Manager Thorvig issued a memo to all budget contacts outlining the process, expectations, and strategic vision for the upcoming fiscal cycle. The result of that directive is this initial General Fund budget, submitted by department heads and refined through fiscal review, which details preliminary levy impacts for general city operations alongside targeted funding increases for capital improvements and debt service. Following prior Council guidance, staff have focused on prioritizing long-term investments in community-wide capital assets while minimizing requests for new, ongoing

operating expenditures. This disciplined approach ensures that early fiscal planning remains dedicated to achieving outcomes that directly support established governing goals.

As currently prepared with the inclusion of departmental submissions, the 2027 City budget would require a \$59,500,000 tax levy, which represents an increase of \$5,270,000 or 9.7%. In an effort to conform with the specific actions outlined below, staff focused on reviewing historical spending and carefully checking all discretionary, or optional, costs. By comparing past budgets to actual spending, staff found areas where departments consistently spent less than approved, allowing them to adjust future budgets to match real needs. These adjustments uncovered extra funding capacity without reducing city services or further advancement of the tax levy. Significant assumptions and factors impacting the baseline department requested 2027 city-based budget / property tax levy include:

- Development of a metrically driven budget process and spending targets
- Use of the Consumer Price Index (2.7%) for inflationary purposes
- Flat travel & training budget; review of out-of-state policy
- Two additional positions; elimination of one vacant position
- New funding for contracted services to enhance the uses of public amenities
- Additional resources for capital consistent with the CIP
- Strategic use of unrestricted reserves for 2026 capital equipment
- Bonding for 2026 pavement projects at current estimates

Additional details supporting the consolidated summary below can be found within the attachments to this item. As previously noted, the direction provided to city staff has been to invest in capital and manage ongoing operational commitments.

| City Levy History | | | | | | |
|-------------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| Levy Item | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 Dept. Req. |
| Operating | \$29,350,000 | \$31,712,000 | \$36,385,585 | \$39,547,598 | \$43,451,487 | \$46,221,184 |
| Capital | \$450,000 | \$600,000 | \$200,000 | \$1,769,752 | \$3,165,360 | \$3,840,360 |
| Debt | \$4,800,000 | \$4,800,000 | \$6,324,015 | \$8,018,650 | \$7,825,153 | \$9,438,456 |
| Total | \$34,600,000 | \$37,112,000 | \$42,909,600 | \$49,336,000 | \$54,230,000 | \$59,500,000 |

Next Steps

With departmental budgets submitted, the finance department will complete a comprehensive analysis reviewing discretionary/contractual spending trends, focusing on the items of most direct control. In addition to exploring cost-containment strategies, staff will isolate one-time expenditures within the operating budget that may be eligible to fund using existing reserves, rather than building those costs into the tax levy. Finance department staff will then schedule meetings with department heads and the City Manager in mid-June to discuss their findings, prioritize spending, implement consistent practices, and ultimately identify opportunities to further reduce the tax levy. These actions will then be incorporated for review at the August 10 City Council Workshop.

Levy Setting Process

State statute requires local governments to adopt a preliminary levy by September 30. After that approval, the preliminary budget can still be changed and the levy can be reduced, but not increased, prior to adopting the final budget and levy in December. Best practice is to adopt a preliminary levy that provides adequate flexibility for the council to react to changing economic conditions and needs of the community.

Remaining Budget Schedule:

| | |
|-------------------------------|--|
| January 26 | Council Retreat |
| February 18 | Budget Calendar Review & City Manager Guidance |
| March 23 – April 2 | Small Group Meetings with Mayor and Councilmembers |
| April 13 | Budget Review Post-Small Group Meetings – General Council Direction |
| June 8 | General Fund and City Tax Levy |
| July 13 | Capital Funds |
| August 10 | Review General Fund and EDA Levy |
| Septmeber 9 | Reserved for Budget Review if needed (Preliminary Levy) |
| September 14 | Internal Service Funds |
| September 21 | Adopt Proposed General Fund, EDA, Capital Budgets, and City Tax Levy |
| October 5 | Charitable Gambling and Communications Funds |
| October 12 | Utilities and Refuse Funds |
| October 19 | Reserved for Budget Review if Needed (Levy & Utility Rates) |
| November 2 | Review Charitable Gambling Fund Scoring |
| November 9 | Truth-in-Taxation Preparation and Budget Review |
| December 7 | Truth-in-Taxation Public Meeting |
| December 21 | Adopt Final General Fund, EDA, Capital Budgets, and Tax Levies |

Staff Recommendation

Questions for Council

Are there any specific policy or service modifications that Council would like staff to evaluate in advance of the August 10 workshop?

Given the actions and results to date, does Council support the current status of the budget and tax levy process?

Attachment List

1. General Fund/Levy Exhibits

City of Blaine, Minnesota

Exhibit A - 1

2027 Property Tax Levy - Detail - June 8, 2026 Workshop

| Levy Item | Fund | 2026 Final Levy | 2027 Department Requested | Total Change From '26 to '27 Levy | Percent Change From '26 to '27 Levy |
|---------------------|---|----------------------|---------------------------|-----------------------------------|-------------------------------------|
| General Fund | | \$ 43,239,487 | \$ 43,239,487 | | |
| 1 | Personnel (Union & Nonunion Step Progression) | - | 1,875,000 | | |
| 2 | Cafeteria Plan Increase | - | 150,000 | | |
| 3 | Self-Insurance | - | 132,000 | | |
| 4 | Workers Compensation | - | 103,200 | | |
| 5 | Compensated Absences | - | 36,000 | | |
| 6 | Facilities Fund Internal Service Charges | - | 125,000 | | |
| 7 | Commodities/Services | - | 297,000 | | |
| 8 | Contractual Commitments Above CPI | - | 110,000 | | |
| 9 | Anoka County Flock/LPR Consortium | - | 100,000 | | |
| 10 | SBM Fire Funding (Operating) | - | 200,000 | | |
| 11 | 2026 Election Year | - | (100,000) | | |
| 12 | Reduce Engineering Charges for City Projects | - | 200,000 | | |
| 13 | Misc. Revenue Increase | - | (536,503) | | |
| 14 | Additional Safe Margin | - | 50,000 | | |
| 15 | Additional Positions | - | 300,000 | | |
| 16 | Additional Mowing Services | - | 85,000 | | |
| 17 | Modify Asst. Comm Dev Director Position | - | (145,000) | | |
| | Total General Fund | 43,239,487 | 46,221,184 | 2,981,697 | 6.9% |
| Capital | | | | | |
| 18 | Pavement Management Plan | 650,000 | 700,000 | | |
| 19 | Capital Equipment | 1,000,000 | 1,600,000 | | |
| 20 | Parks & Trails | 500,000 | 525,000 | | |
| 21 | SBM Capital Equipment | 1,015,360 | 1,015,360 | | |
| | Total Capital | 3,165,360 | 3,840,360 | 675,000 | 21.3% |
| 22 | Debt Service | | | | |
| | GO Improvement Bonds 2013A (67) | - | - | | |
| | GO Equipment Capital Note 2016A (70) (NMTV) | - | - | | |
| | GO Improvement Bonds 2016A (71a) | 17,068 | - | | |
| | GO Improvement Bonds 2016A (71b) | 163,251 | - | | |
| | GO Improvement Bonds 2016A (71d) | 723,870 | 717,570 | | |
| | GO Taxable Improvement Bonds 2017A (72a) | 253,888 | 250,248 | | |
| | GO Improvement Bonds 2019A (75) | 556,306 | 555,865 | | |
| | GO Capital Improvement Plan Bonds 2019B (76) | 487,725 | 487,463 | | |
| | GO Capital Improvement Plan Bonds 2020A (77) | 513,115 | 510,498 | | |
| | GO Improvement Bonds 2021A (78A) | 466,096 | 465,473 | | |
| | GO Improvement Bonds 2021A (78B) | 112,248 | 113,928 | | |
| | GO Improvement Bonds 2022 (79A) | 675,884 | 675,918 | | |
| | GO Improvement Bonds 2023A (80A) | 713,129 | 714,749 | | |
| | GO Equipment Certificates 2023A (80C) | 692,475 | 688,800 | | |
| | 105th Ave Tax Abatement Turf Fields (81) 2024A | 603,435 | 878,535 | | |
| | GO Improvement Bonds (82A) 2024B | 806,813 | 807,294 | | |
| | GO Equipment Certificates (82B) 2024B | 689,850 | 693,000 | | |
| | City Improvement Bonds 2025A | 350,000 | 256,841 | | |
| | City Improvement Bonds 2026D | - | 895,794 | | |
| | City Equipment Bonds 2026C | - | - | | |
| | 105th Avenue Tax Abatement Infrastructure 2026E | - | 726,480 | | |
| | Debt Service Total | 7,825,153 | 9,438,456 | 1,613,303 | 20.6% |
| | Total Final Levy | \$ 54,230,000 | \$ 59,500,000 | 5,270,000 | 9.7% |

City of Blaine, Minnesota

Exhibit A - 2

2027 Property Tax Levy - Detail - June 8, 2026 Workshop

| Levy Item | Fund/Category | Detail | Total Change From '26 to '27 Department Requested Levy |
|-----------|---|--|--|
| 1 | Personnel (Union & Nonunion Step Progression) | Base/Existing Employment Base | \$ 1,875,000 |
| | | No Position Reclassifications or Adjustments | |
| | | Assuming union group compensation as presented to Council on 3/2/26 | |
| 2 | Cafeteria Plan Increase | Cafeteria plan assumes \$600/year increase (same as previous years) | 150,000 |
| | | \$1,640 / month for full time employees electing coverage | |
| | | \$900 / month for full time employees if coverage is waived | |
| 3 | Self Insurance | 2026 funding \$1.25MM, 2025/2026 Standard Premium \$515k; Excess Liability \$172k | 132,000 |
| | | \$100k deductible per occurrence/\$200k standard aggregate/\$4M MEL aggregate; Plan Year July-June | |
| | | Ending 2025; \$1.5MM of expenses and \$1.1MM of revenue | |
| | | Ending 2025: Net Position \$21k, incurred but not reported \$367k | |
| | | 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 first \$250k and 40% on amounts above that | |
| | | Increase spread amongst funds, 75% General Fund | |
| 4 | Workers Compensation | 2026 funding \$2.1MM, 2025/2026 Premium \$1.2MM | 103,200 |
| | | 2025/2026 Standard Policy, \$10k Deductible per Occurrence; Plan Year July-June | |
| | | 2025 Retro-Premium refund of \$493k; 2026 Retro-Premium charge of \$66k (spring/annually) | |
| | | 2024-2025 Audit Adjustment refund of \$40k (fall/annually) | |
| | | Ending 2025: Cash \$495k, Net Position \$98k | |
| | | Increase spread amongst funds, 92% General Fund | |
| 5 | Compensated Absences | 2021-2025: Funding \$789k; Payouts \$1.4MM; Total shortfall \$653k | 36,000 |
| | | 2025: Funding \$161k; Payouts \$408k; Shortfall \$247k | |
| | | Ending 2024: Cash \$1.25M | |
| | | Increase spread amongst funds, 93% General Fund | |
| 6 | Facilities Fund Internal Service Charges | Assumes 8.5% increase year over year per 5-year fund summary and CIP | 125,000 |
| | | Increase spread amongst funds, 76% General Fund | |
| 7 | Commodities/Services | Assumes usage of overall Consumer Price Index change for 2025 = 2.7% | 297,000 |
| | | Total 2026 Expenditure Budget for General Fund = \$53,352,887 | |
| | | Excludes: T&T = \$312,725; SBM = \$2,911,335; Facilities = \$1,466,770; Personnel = \$37,597,203 | |
| | | Remaining Budget to apply CPI: \$10,983,303 | |
| | | Historical increases: 25% for 2022 Actuals; 11% for 2023; 2% for 2024; 7% for 2025 | |
| 8 | Contractual Commitments Above CPI | Various costs the city incurs are subject to discretion and contractual commitments | 110,000 |
| | | Assumes some level of cost increase beyond consumer price index | |
| | | Departments to identify & substantiate these costs as part of budget submission | |
| 9 | Anoka County Flock/LPR Consortium | On December 18, 2023 Council approved a three year agreement with Flock Safety | 100,000 |
| | | Current contract for license plate readers is paid for from Public Safety Aid Funds \$100k annually | |
| | | County contract anticipated to start mid-2026; city share to remain \$100k annually; General Fund | |
| 10 | SBM Fire Funding (Operating) | Ongoing operating funding: 2024 up 3.5%; 2025 up 10.0%; 2026 up 5.1% | 200,000 |
| | | Presume a 6.25% increase for 2027 based on three-year average | |
| | | Blaine 76%; Mounds View 15.5%; Mounds View 8.5% | |
| 11 | Elections | 2027 is a non-election year, costs fluctuate accordingly | (100,000) |

City of Blaine, Minnesota

Exhibit A - 2

2027 Property Tax Levy - Detail - June 8, 2026 Workshop

| Levy Item | Fund/Category | Detail | Total Change From '26 to '27 Department Requested Levy |
|--|---|--|--|
| 12 | 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) | 200,000 |
| | | 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 \$250,000, 2027 is the final year of a 3-year timeline to eliminate this chargeback | |
| 13 | Revenue Increases | Administration fees charged to the EDA Fund for services provided by city employees, \$533k per year | (536,503) |
| | | Administration fees charged to the Enterprise Funds for services provided by city employees, \$2.6MM per year | |
| | | Vehicle & equipment maintenance fees charged to the Water and Sewer Funds, \$433k per year | |
| | | Police State Aid increase = \$1.0MM | |
| | | Municipal State Aid Maintenance increase = \$1.0MM | |
| 14 | Additional Safe Margin | City safe margin to be established in an amount between 1% and 1.5%, the adjustment brings the 2027 safe margin to \$490k | 50,000 |
| 15 | Additional Positions | Police Officer assigned to patrol - \$150k | 300,000 |
| | | Project Engineer assigned to utility capital improvements - \$150k | |
| 16 | Mowing Services | In 2025 the work crew which performed basic landscaping services discontinued | 85,000 |
| | | Impacts to the overall aesthetics of city parks and open space | |
| | | In lieu of additional staff, funding established to pursue additional contracted mowing services | |
| 17 | Modify Asst. Comm Dev Director Position | Remove full-time position; reclassify into internship role | (145,000) |
| 18 | Pavement Management Plan | Crack-sealing program funding to remain at \$250k; city-wide 7 year program | 50,000 |
| | | Additional funding to buy-down future bonding requirements | |
| | | Pavement Condition Index (PCI) Study budgeted for in 2026; use of unrestricted GF reserves | |
| 19 | Capital Equipment | 2026-2030 CIP increased funding from \$1.0MM to \$1.6MM | 600,000 |
| | | Goal is to be pre-funded by 2029 | |
| | | Lack of prefunding capital needs may impact credit rating | |
| 20 | Parks & Trails | 2024 levy eliminated, used strategic priority funds, restored in 2025, no increase for 2026 | 25,000 |
| 21 | SBM Capital Equipment | Increased funding from \$569,752 in 2025 to \$1,015,360 for 2026 | - |
| | | Capital funding was born out of reallocating retired debt service related to the fire department | |
| | | No additional capital funding planned for until future fire station financing is determined | |
| | | Blaine Share 76%; Mounds View 15.5%; Mounds View 8.5% | |
| 22 | Debt Service | Main funding source for Capital Projects | 1,613,303 |
| | | Assumes 25% of all improvements will be assessed for the 2026 Transportation projects | |
| | | Use of Unrestricted General Fund Reserves to Purchase Capital Equipment | |
| | | 2026 Pavement project related bond levy at \$895k annually for 15 years | |
| | | Permanent Financing of 2024D 105th Tax Abatement Bond at \$726k annually for 20 years | |
| | | Assumes current interest rate environment and no contingency buffer | |
| Total 2027 Property Tax Levy Increase | | | \$ 5,270,000 |