



City Council Meeting

June 09, 2025

7:00 PM

Fridley City Hall, 7071 University Avenue N.E.

Agenda

Call to Order

The Fridley City Council (Council) requests that all attendees silence cell phones during the meeting. A paper copy of the Agenda is at the back of the Council Chambers. A paper copy of the entire Agenda packet is at the podium. The Agenda and all related materials may also be found on the City's website at FridleyMN.gov/1564/Agenda-Center.

Pledge of Allegiance

Proclamations/Presentations

Proposed Consent Agenda

The following items are considered to be routine by the Council and will be approved by one motion. There will be no discussion of these items unless a Councilmember requests, at which time that item may be moved to the Regular Agenda.

Meeting Minutes

- [1.](#) Approve the Minutes from the City Council Meeting of May 27, 2025
- [2.](#) Receive the Minutes from the City Council Conference Meeting of May 27, 2025
- [3.](#) Receive the Minutes from the Planning Commission Meeting of May 21, 2025
- [4.](#) Receive the Minutes from the Parks and Recreation Commission Meeting of April 7, 2025

New Business

- [5.](#) Resolution No. 2025-65, Authorizing a Community Implementation Grant from the Minnesota Pollution Control Agency for Commons Park Improvements
- [6.](#) Resolution No. 2025-67, Accepting the 2025 Edward Byrne Memorial Justice Assistance Grant (JAG) Program
- [7.](#) Resolution No. 2025-68, Approving Special Use Permit, SP #25-02 for a Clinic and Repealing Expired Special Use Permit, SP #02-03 for a Daycare, for the Property at 1413 Gardena Ave NE (Ward 2)

Claims

- [8.](#) Resolution No. 2025-69, Approving Claims for the Period Ending June 4, 2025

Open Forum

The Open Forum allows the public to address the Council on subjects that are not on the Regular Agenda. The Council may take action, reply, or give direction to staff. Please limit your comments to five minutes or less.

Regular Agenda

The following items are proposed for the Council's consideration. All items will have a presentation from City staff, are discussed, and considered for approval by separate motions.

- [9.](#) Resolution No. 2025-70, Approving and Accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending December 31, 2024

New Business

- [10.](#) Resolution No. 2025-66, Authorizing Application to the US Department of Transportation for University Avenue Corridor Safety Improvements Under the Safe Streets for All (SS4A) Program
- [11.](#) Resolution No. 2025-72, Approving an Interim Use Permit, IUP #25-01, Requested by Chopper Powersports to allow the property at 7151 Hwy 65 N.E. to be temporarily used for storage and display of off-road vehicles (Ward 2)

Informal Status Reports**Adjournment**

Accessibility Notice:

- If you need free interpretation or translation assistance, please contact City staff.
- Si necesita ayuda de interpretación o traducción gratis, comuníquese con el personal de la ciudad.
- Yog tias koj xav tau kev pab txhais lus los sis txhais ntaub ntawv dawb, ces thov tiv tauj rau Lub Nroog cov neeg ua hauj lwm.
- Haddii aad u baahan tahay tarjumaad bilaash ah ama kaalmo tarjumaad, fadlan la xiriir shaqaalaha Magaalada.

Upon request, accommodation will be provided to allow individuals with disabilities to participate in any City of Fridley services, programs or activities. Hearing impaired persons who need an interpreter or other persons who require auxiliary aids should contact CityClerk@FridleyMN.gov or (763) 572-3450.



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Beth Kondrick, Deputy City Clerk

Title

Approve the Minutes from the City Council Meeting of May 27, 2025

Background

Attached are the minutes from the City Council meeting of May 27, 2025.

Financial Impact

None.

Recommendation

Staff recommend the approval of the minutes from the City Council meeting of May 27, 2025.

Focus on Fridley Strategic Alignment

- | | |
|--|---|
| ☐ Vibrant Neighborhoods & Places | ☐ Community Identity & Relationship Building |
| ☐ Financial Stability & Commercial Prosperity | ☐ Public Safety & Environmental Stewardship |
| ☒ Organizational Excellence | |

Attachments and Other Resources

- Minutes from the City Council Meeting of May 27, 2025

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



City Council Meeting

May 27, 2025

7:00 PM

Fridley City Hall, 7071 University Avenue NE

Minutes

Call to Order

Mayor Ostwald called the City Council Meeting of May 27, 2025, to order at 7:00 p.m.

Present

Mayor Dave Ostwald
Councilmember Patrick Vescio
Councilmember Ryan Evanson
Councilmember Luke Cardona
Councilmember Ann Bolcom

Others Present

Walter Wysopal, City Manager
Scott Hickok, Community Development Director
Brandon Brodhag, Assistant City Engineer
Melissa Moore, City Clerk
Ryan George, Police Chief
Beth Kondrick, Deputy City Clerk
Sarah Sonsalla, City Attorney

Pledge Of Allegiance

Proclamations/Presentations

1. Proclamation for Scott Hickok Appreciation Day, May 28, 2025

Mayor Ostwald presented the proclamation recognizing Scott Hickok for 31 years of service to the community and declared May 28, 2025, as Scott Hickok Day. He expressed appreciation and wished him well in his retirement.

Scott Hickok, Community Development Director, commented that he began his career in Fridley in 1994. He introduced his family members who were present in the audience and thanked them for their support. He stated that he has enjoyed his career in Fridley and appreciated the wonderful staff, leadership, and support provided. He recognized the excellent Commissions, the residents, and the vision and direction of the City Council. He looked forward to the continued progress of the City.

Approval of Proposed Consent Agenda

Motion made by Councilmember Evanson to adopt the proposed Consent Agenda. Seconded by Councilmember Cardona.

Upon a voice vote, all voting aye, Mayor Ostwald declared the motion carried unanimously.

Approval/Receipt of Minutes

2. Approve the Minutes from the City Council Meeting of May 12, 2025.
3. Receive the Minutes from the Council Conference Meeting of May 12, 2025.
4. Receive the Minutes from the Environmental Quality and Energy Commission (EQEC) Meeting of April 8, 2025.
5. Receive the Minutes from the HRA Commission Meeting of February 6, 2025.
6. Receive the Minutes from the Planning Commission Meeting of April 16, 2025.
7. Receive the Minutes from the Public Art Commission Meeting of April 2, 2025.

New Business

8. Resolution No. 2025-59, Authorizing Participation of the City of Fridley in the Minnesota Local Performance Measurement Program.
9. Resolution No 2025-61, Approving Gifts, Donations and Sponsorships Received Between April 19, 2025, and May 16, 2025.
10. Ordinance No. 1431, Creating Title No. 6 (Zoning and Subdivision) of the Fridley City Code, Repealing Chapter 205 (Zoning), Repealing Chapter 211 (Subdivision), Repealing Chapter 213 (Fences), Amending Chapter 209 (Fees) and Amending Chapter 506 (Signs) (Second Reading).

Licenses

11. Resolution No. 2025-60, Approving Temporary Intoxicating Liquor Permit for Fridley Lions Club for Event Held During Fridley 49er Days, June 13-14, 2025, at Commons Park.

Claims

12. Resolution No. 2025-62, Approving Claims for the Period Ending May 21, 2025.

Open Forum, Visitors: (Consideration of Items not on Agenda – 15 minutes.)

Ibsaa Ahmed, Executive Director of Bilal Oromo Dawa Center commented that the center has grown into a vital center providing a wide range of services to its members. He stated that the community recognizes

two holidays that require a large outdoor space for prayer, and since 2015, they have been holding that prayer at the National Sports Center in Blaine, but it has become difficult to schedule that space. He stated that in 2017, they were lucky enough to be able to use Fridley Community Park, but due to the large turnout, they were not granted access to the park again. He asked that the Council consider designating a park or field in Fridley that they could use twice a day for the holy day prayers, noting that it is just a few hours during the morning. He commented that they would obtain the proper permits, follow the rules, and ensure the space is cleaned up following the prayer.

Mayor Ostwald commented that decisions cannot be made during the open forum. He recognized the request being made. He noted that in 2017, the original thought was that a few hundred people would participate, but it was more like 1,000 people, which caused issues with parking. He asked the date of the event.

Mr. Ahmed replied that the next date would be June 6th. He noted the parking available at his building and a shared parking agreement with another adjacent building. He stated that they could split the sessions into two if desired to help address issues with parking. Mayor Ostwald commented that staff would follow up with the resident.

Adoption of Regular Agenda

Motion made by Councilmember Bolkcom to adopt the regular agenda. Seconded by Councilmember Vescio.

Upon a voice vote, all voting aye, Mayor Ostwald declared the motion carried unanimously.

Regular Agenda

New Business

13. Resolution No. 2025-56, Approving a Joint Powers Agreement with Anoka County for the 44th Avenue (CSAH 2) Bridge and Trail Improvements Project

Brandon Brodhag, Assistant City Engineer, provided background information on the project, which is led by Anoka County. He presented additional project elements, the project layout, and information related to the Anoka County Joint Powers Agreement, proposed cost-share, project outreach and coordination, and project timeline.

Councilmember Bolkcom recognized the work of City staff, as this is a project that is needed. She commented that this will be a great improvement that will provide safety for those walking and biking as well.

Motion made by Councilmember Bolkcom to approve Resolution No. 2025-56, Approving a Joint Powers Agreement with Anoka County for the 44th Avenue (CSAH 2) Bridge and Trail Improvements Project. Seconded by Councilmember Evanson.

Upon a voice vote, all voting aye, Mayor Ostwald declared the motion carried unanimously.

14. Resolution No. 2025-58, Denying the Massage Therapy Business License Application for Jie Swanson, Lotus Spa and Denying the Massage Therapy Individual License Applications for Di Zhou, Cuiluo Liu, Yuanquin Wang, and Dongli Liao

Beth Kondrick, Deputy City Clerk, provided background information on Lotus Spa, which was previously licensed in 2022 as Enhance Beauty Spa, noting that the license expired and was not renewed. She provided additional information on concerns and investigations that occurred in 2023, 2024, and 2025 related to unlicensed individuals performing massage, sex trafficking, and prostitution activity, as well as the violations that were found at the location. She stated that after the visit to the business in April, the City received a license application for the business and individual massage therapist licenses. Because of the Code violations that occurred, staff recommends denial of the business license and individual licenses.

Shawn Paul Kehren, Attorney representing Lotus Spa, asked for the month and day for the activity referenced with the state and federal partners' activity mentioned from 2023, as well as activities mentioned from 2024. He asked if a search warrant was issued for the property or whether there had been any arrests on the case. Ryan George, Police Chief, commented that he did not have the dates available. He was not aware of a search warrant or arrests made.

Mr. Kehren stated that his client has received the letter and asked for a second chance. He stated that Jie Swanson is a resident of Columbia Heights and spoke of her hard upbringing in China prior to coming to the United States, as well as her experience in salons and other entrepreneurial businesses. He stated that Ms. Swanson purchased the salon in 2022, began to hire additional employees, and believed she was operating with a business license. He commented on the services that the business provides to its customers. He stated that five individual licenses have been applied for, along with the business license, noting that all applicants are legal to work in the United States. He explained that Ms. Swanson was not advertising lingerie and was selling shapewear. He recognized that there were mistakes made, especially with the licensing, as Ms. Swanson believed that the license was good for three years. He explained that the name change for the business was to give the business a fresh start, not to hide anything. He stated that the locks on the doors were left from the previous owner, noting that only two of the doors had locks and those had been changed out to comply with City Code. He stated that Ms. Swanson does not participate in sex trafficking and runs a legitimate business that focuses on wellness. He commented that Ms. Swanson has had to fire employees and has experienced blackmail. He stated that most likely, the anonymous tips were provided by the person threatening blackmail. He provided additional information on the clients served by the business. He stated that no charges have been filed against Ms. Swanson or the massage therapists. He did not believe the claims of sex trafficking to be credible. He understood that there was another massage therapy case considered by the Council in April and noted that this is a very different business. He asked the Council to give Ms. Swanson another chance.

Jie Swanson commented on her difficult childhood in China and the challenges she experienced coming to America. She stated that in 2016, someone helped her begin a business and provided information on that experience. She commented on the challenges she has experienced since that time, starting over many times, and apologized for the regulations she was not aware of. She

commented that with her experiences growing up, she would never participate in sex trafficking. She commented on the relief that she provides to her clients and the additional training she has received to improve her services. She believed the license was good for three years and commented on the difficulty she experiences trying to log in and fill out paperwork on the computer. She asked the Council to give her another chance.

Bret Morris, friend of Ms. Swanson, commented that he has been a friend of Ms. Swanson for the past three years. He stated that they attend church together, and it is amazing to see the work Ms. Swanson has done for her business. He stated that the statements in the report are not true, noting that this is a clean spa and he welcomed the Council and Police to check them out.

Motion made by Councilmember Bolkcom to accept the paperwork provided by Mr. Kehren into the record. Seconded by Councilmember Vescio.

Mayor Ostwald commented that this is not a court of law and explained the process the Council follows to make its determination. He asked if there is an inspection of the premises after the license is issued. Ms. Kondrick commented that an inspection was done. Mayor Ostwald asked if locks on doors were looked for at that time. Chief George was unsure if that would be part of the initial inspection done by the Building Official or the Fire Marshall. He commented that locks on doors are inspected as part of a compliance inspection.

Councilmember Bolkcom asked if there was a compliance check at the facility after the initial inspection. Chief George replied that a compliance check was not completed after the business license expired. Councilmember Bolkcom asked about the process that is followed after a license expires and whether notification is mailed. Ms. Kondrick replied that a renewal notification is emailed and/or mailed. She confirmed that at least two notices were sent relating to the renewal needed. She stated that she was contacted by Public Safety asking if the business had a current license. She confirmed that the business had been operating for two years without a license.

Councilmember Bolkcom asked if Ms. Swanson was unaware that she did not have a license for two years. She asked if Ms. Swanson had received the emails. Ms. Swanson replied that she believed that the license was valid for three years and had recently been trying to change the name and renew the license, but was having difficulty with the computer and her password.

Mr. Kehren recognized that both a business license and a massage therapist license are needed and asked if the business license is still valid. Ms. Kondrick replied that the business license is only valid for one year, and any massage therapists are tied to that business license.

Councilmember Bolkcom asked why Ms. Swanson waited for two years without acting. Ms. Swanson replied that she believed the license was valid for three years. She stated that she did not receive a notice about the renewal.

Councilmember Cardona asked for the dates the notification was sent. Ms. Kondrick commented that notice is sent in January/February, alerting license holders that their license will expire in April.

Councilmember Bolkcom asked and received confirmation that others were employed at the business and asked if they were licensed. Ms. Swanson commented that the employees did have certificates. Ms. Kondrick stated that the first individual massage therapist license applications she received for this business are presented tonight. Councilmember Bolkcom commented that the business had employees working for two years without the proper licensing.

Mayor Ostwald commented that he searched the Secretary of State website and the business license for this business, with the State also expired 1.5 years ago. He stated that, as the business owner, Ms. Swanson needs to ensure she complies with all requirements. Ms. Swanson commented that this is the first business she has owned where she has other employees.

Councilmember Vescio asked for the hire date of the employees who have submitted license applications and whether those employees performed massages prior to the license application date. Mr. Kehren believed that two of the employees had been working in the shop before that date.

Councilmember Evanson asked if there are any other ongoing investigations related to sex trafficking or prostitution, related to this shop or any of the people working in the shop. Chief George commented that the City is always participating in ongoing investigations as part of the Task Force. He commented that these investigations are labor-intensive, and he cannot comment on the ongoing activity of the BCA.

Councilmember Evanson asked if the massage licenses were denied, could Ms. Swanson continue with other cosmetology services at the business. Ms. Kondrick commented that cosmetology is licensed by the State, so that decision would be left to the State. Councilmember Evanson commented that if the licenses are denied, that would not shut down the business but only the massage services at the business. Councilmember Evanson asked if denial of the license would prevent the applicant from applying for another business license in Fridley in the future. Ms. Kondrick replied that under the current City Code, there would be a one-year suspension period, but noted that staff is currently undergoing the process of recodification of the Code.

Councilmember Cardona asked for more information on potential changes to the Code on this matter. Ms. Kondrick replied that staff would like to make the change so that a denied/revoked license would result in indefinite suspension.

Mayor Ostwald asked the City Attorney for input she may have on this topic. Sarah Sonalla, City Attorney, stated that the Council would have the grounds to deny the license based on the information in the staff report and the answers provided tonight related to the lack of licensing. Mayor Ostwald asked if the applicant would have any recourse. Ms. Sonalla replied that any appeal would need to go through the court system.

Councilmember Cardona asked if the business could continue to operate with cosmetology services if the massage license is revoked. Ms. Kondrick confirmed, noting that proper licensing would still be needed from the State. Councilmember Cardona asked if the applicant is aware that they could continue to offer the cosmetology services if the massage licenses are denied. Mr. Kehren stated that he was just made aware of the State licensing and communicated that to his client. He noted that

Ms. Swanson is currently not performing the cosmetology services. Ms. Kondrick noted the services listed on the business's website, which would still require a cosmetology license from the State.

Upon a voice vote, all voting aye, Mayor Ostwald declared the motion carried unanimously.

Motion made by Councilmember Bolkcom to approve Resolution No. 2025-58, Denying the Massage Therapy Business License Application for Jie Swanson, Lotus Spa and Denying the Massage Therapy Individual License Applications for Di Zhou, Cuiluo Liu, Yuanquin Wang, and Dongli Liao. Seconded by Councilmember Vescio.

Further discussion: Councilmember Evanson reviewed the purpose of the City Code related to massage therapy businesses. He commented that perhaps the petitioner was unaware of what was going on, but the locked doors would also prevent the owner from knowing what was going on, which is why locked doors are not allowed. He stated that Public Safety has done a lot of work to confirm the suspicions of what was going on at the business. He stated that the consequence of being wrong on this is catastrophic if prostitution and sex trafficking were occurring at the business.

Upon a voice vote, all voting aye, Mayor Ostwald declared the motion carried unanimously.

Mr. Kehren asked and received confirmation that the current City Code requires a one-year period before the business could apply for the license again and asked when the anticipated Code changes would be made. Ms. Kondrick replied that the changes would be presented this summer, as staff are currently working on this chapter of the City Code.

Mayor Ostwald asked if this case would be grandfathered because the denial occurred prior to the Code change. Melissa Moore, City Clerk, replied that is yet to be determined. She stated that staff will work with legal counsel and obtain input from the City Council on this topic.

Public Hearing(s)

Informal Status Reports

Councilmember Cardona commented that the city-wide garage sale will be taking place on June 6th and 7th. He congratulated Mr. Hickok on his excellent career and wished him the best in his retirement. He also recognized Dave Jenson, who will also be retiring next week. The Council echoed those comments of appreciation and well wishes.

Councilmember Bolkcom commented that the leopard frog is anticipated for installation at Moore Lake Park within the next month. She stated that the work has begun to identify a public art piece for installation at Commons Park.

Councilmember Vescio commented on the Public Safety promotion ceremony he will be attending the following night.

Councilmember Evanson noted the upcoming 49er Days and reminded residents and businesses of the upcoming deadline for parade submissions.

Adjourn

Motion made by Councilmember Vescio to adjourn. Seconded by Councilmember Bolkcom.

Upon a voice vote, all voting aye, Mayor Ostwald declared the motion carried unanimously and the meeting adjourned at 8:48 p.m.

Respectfully Submitted,

Melissa Moore
City Clerk

Dave Ostwald
Mayor



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Beth Kondrick, Deputy City Clerk

Title

Receive the Minutes from the City Council Conference Meeting of May 27, 2025

Background

Attached are the minutes from the City Council conference meeting of May 27, 2025.

Financial Impact

Recommendation

Receive the minutes from the City Council conference meeting of May 27, 2025.

Focus on Fridley Strategic Alignment

- | | |
|--|---|
| ☐ Vibrant Neighborhoods & Places | ☐ Community Identity & Relationship Building |
| ☐ Financial Stability & Commercial Prosperity | ☐ Public Safety & Environmental Stewardship |
| ☒ Organizational Excellence | |

Attachments and Other Resources

- Minutes from the City Council Conference Meeting of May 27, 2025

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



City Council Conference Meeting

May 27, 2025

5:30 PM

Fridley City Hall, 7071 University Avenue NE

Minutes

Roll Call

Present: Mayor Dave Ostwald
 Councilmember Patrick Vescio
 Councilmember Ann Bolkcom
 Councilmember Luke Cardona
 Councilmember Ryan Evanson

Others Present: Wally Wysopal, City Manager
 Scott Hickok, Community Development Director
 Paul Bolin, HRA Director
 Jesslyn Quiram, Engineering Technician
 Ryan George, Public Safety Director
 Brandon Brodhag, Assistant City Engineer
 Mike Maher, Parks and Recreation Director

Items for Discussion

1. Northstar Rail Divestiture

Paul Bolin, HRA Director, provided background on the Metropolitan Council and Minnesota Department of Transportation's decision to end the Northstar Light Rail. The focus of the discussion was on the various leases that provide the train station, tunnel and parking lots.

2. Police Staffing

Ryan George, Public Safety Director, reported that the Public Safety Department remains fully staffed. A strong Community Service Officer program provides good candidates for the sworn positions and also the ICPOET program has helped with grants. Chief George also introduced an additional opportunity through Independent School District 14 to add two additional positions through a Setting 4 program. These positions would be separate from the existing School Resource Officer program.

3. Public Art at Commons Park

Scott Hickok, Community Development Director, Jesslyn Quiram, Engineering Technician and Mike Maher, Parks and Recreation Director, provided a review of the relationship between the City Council, Public Arts Commission and a Private Art Foundation pertaining to the public art considered for Commons Park.



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Julianne Beberg, Office Coordinator

Title

Receive the Minutes from the Planning Commission Meeting of May 21, 2025

Background

Attached are the Minutes from the May 21, 2025, Planning Commission Meeting.

Financial Impact

None

Recommendation

Staff recommend the City Council receive the May 21, 2025 Planning Commission Minutes.

Focus on Fridley Strategic Alignment

☒ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☐ Financial Stability & Commercial Prosperity	☐ Public Safety & Environmental Stewardship
☒ Organizational Excellence	

Attachments and Other Resources

- Planning Commission Minutes May 21, 2025

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



Planning Commission

May 21, 2025

7:00 PM

Fridley City Hall, 7071 University Avenue NE

Minutes

Call to Order

Chair Hansen called the Special Planning Commission Meeting to order at 6:00 p.m.

Present

Aaron Brom
Mark Hansen
Mike Heuchert
Aaron Klemz
Ross Meisner
Paul Nealy

Absent

Pete Borman

Others Present

Stacy Stromberg, Planning Manager
Nancy Abts, Associate Planner
Sarah Sonsalla, City Attorney
Anthony DeForge, Building Official
Scott Hickok, Community Development Director
Ann Bolkom, Councilmember

Approval of Meeting Minutes

Public Hearing

Other Business

1. Appeal Item

Sarah Sonsalla, City Attorney, explained that the Commission tonight is acting as the Board of Appeal and Adjustment to hear an appeal from a resident who was denied a request for an accessory dwelling unit (ADU) permit. She explained the process that will be followed for the meeting.

Nancy Abts, Associate Planner, stated that the appeal tonight is related to the denial of an ADU permit application for the property located at 6187 Heather Circle. The application was received electronically on February 10, 2025, and a number of the fields on the application were left blank. On February 13, 2025, the applicant submitted some amendments to the application. She provided

additional information on the ADU permit history with dates. She stated that after staff held a Development Review Committee meeting, the decision was made to request a meeting with the applicant to discuss the application, as there were still some details that were unclear. Staff met with the applicant on March 6, 2025. Conversation focused on revisions needed to the plans to limit the number of bedrooms to two and to address construction that had already occurred without permits. She reviewed the email received from the applicant on March 24, 2025, refusing to revise their plans and stating that they would like any response from the City to be a formal, written response. A letter to the applicant was sent on April 1, 2025, denying the request and expressing concerns related to the size, number of ADUs, zoning requirements, building code provisions, and parking.

Ms. Abts explained that ADUs and related principal structures must conform to Zoning Code requirements. She stated that the revised plans submitted on February 13th showed five bedrooms and two bathrooms for the basement ADU. She stated that the plans also show the main home to have four bedrooms and two bathrooms on the main floor and six bedrooms and one bathroom on the second floor. She stated that it seemed like a high number of bedrooms for a home in Fridley, and therefore, she requested additional information from the assessing department. It was noted that the home was permitted for construction in 1982, at which time five bedrooms were constructed. In 2016, an additional four bedrooms were noted through inspection. She stated that there is no evidence in City records that the home had any more than nine bedrooms. She commented that a thorough review of permit history for the property was completed, and no permits were pulled at any time for the creation of additional bedrooms. She stated that ADUs must meet the current building code and have sufficient parking, and noted that the construction had never been permitted. She commented that this property has been the subject of a large number of police citations for parking violations and provided that information. She commented that for those reasons, the permit was denied. She commented that there are three ADU permits which have recently been approved and noted that each of those required back and forth between staff and the applicant, and related revisions to the plans to ensure a safe living space is created.

Commissioner Klemz asked why the number of bedrooms was suggested to be reduced from five to two. Ms. Abts replied that the reduced number of bedrooms would likely reduce the parking impact. Commissioner Klemz asked if five bedrooms for the ADU would be acceptable if the main home had a smaller number of bedrooms. Ms. Abts replied that the current requirement is that the ADU has less than 50 percent of area of the main home. She noted that there are some circumstances where an ADU can take up an entire level of the home. Commissioner Klemz asked and received confirmation that these plans indicate that part of one floor of the home would become the ADU.

Commissioner Brom asked if a permit was issued in 2014 for the additional bedrooms and asked if there was any course of action on the part of the City when the additional bedrooms were discovered. Ms. Abts replied that a permit was not issued. She explained that the City did not take any action in 2016 as the bedrooms were identified as part of an assessment inspection. She explained that assessing staff capture the current conditions related to future sale value and do not complete code enforcement. Commissioner Brom asked if the additional bedrooms were part of a remodel or expansion. Ms. Abts was unsure, but based on limited exterior modifications, it would seem to be changes to the inside of the home rather than an expansion.

Commissioner Meisner asked when the current property owners purchased the home. Ms. Abts replied that the property owners purchased the home in 2017.

Chair Hansen invited the applicant to speak.

Tim Stone, architect for the applicant, stated that when he was hired, he was told by the applicant that, based on their conversations with building/planning staff, he needed to verify that the ADU space would meet the health, safety, and welfare of building permitting and construction. He stated that he visited the space to verify that the space had its own cooking area, bathroom, and to confirm the ADU's square footage. He stated that he marked items that he felt needed to be addressed to meet the City requirements. He commented that through the presentation just made, there was a lot of information he was not aware of, and therefore, he believes it best to simply explain his involvement.

Commissioner Klemz asked if the drawings submitted were drawn by Mr. Stone. Mr. Stone replied that he did not provide those; those drawings were provided by the applicant. He stated that he did package a drawing for the applicant, which included the square footage, requirements for egress windows, travel distances from the space, verifying the kitchen and bathrooms, and other elements such as CO2 detectors and fire extinguishers.

Commissioner Heuchert asked if Mr. Stone had completed the visual inspection of what could be seen, but could not verify the elements behind the walls. Mr. Stone confirmed that is correct, and he was made to understand that the property owners purchased the home in this manner, and therefore, he believed that the building code requirements had been met.

Commissioner Meisner asked if Mr. Stone assessed the parking. Mr. Stone stated that he did look at the City requirements for residential parking, which would seem to require four parking stalls for two dwelling units. He stated that he made the recommendation that the garage bays be split between dwelling units, which would then provide three off-street parking spaces per dwelling unit.

Commissioner Klemz referenced a statement from the applicant, which states that they have documentation that all required inspections were completed and passed, and would provide that to the commission. He asked if Mr. Stone has that documentation. Mr. Stone replied that he did not have that information and did not see any information on inspections. He reiterated that in his conversations with the property owner, it was communicated that they purchased the home in the way it exists today, noting that information has been provided tonight, which proves that to be inaccurate.

Commissioner Nealy asked if the applicant has been in possession of the property since 2017. It was confirmed that the applicant purchased the property in 2017.

Chair Hansen noted that there were nine bedrooms when the home was purchased in 2017 and asked if there are more bedrooms now or more bedrooms being proposed now. Mr. Stone commented that when he visited the property, there were 15 total bedrooms.

Commissioner Klemz asked if the five homes shown in the basement have already been constructed. Mr. Stone confirmed that the bedrooms already exist.

Commissioner Meisner asked if Mr. Stone is being asked to do any work on the home. Mr. Stone commented that he is not being asked to do any work. He stated that the home is a single-family dwelling, and he was asked to reclassify the walk-out basement as an ADU, which would make the home two separate dwellings. He stated that he recommended that the applicant go through the zoning process to rezone the property to a two-family dwelling.

Ms. Abts provided some draft potential findings of fact for the Commission to consider. She agreed with the statements of Mr. Stone and commented that the bedrooms were not permitted and therefore are not eligible for an ADU permit.

Commissioner Meisner recapped that in 2017, there were nine bedrooms, several of which were not permitted, and since that time, an additional six bedrooms were added that also do not appear to be permitted.

Commissioner Klemz commented that it is clear there is not adequate parking for the number of bedrooms, and the on-street parking is not sufficient to accommodate all the vehicles.

Commissioner Heuchert stated that he does have safety concerns in the applicant requesting the City sign off on the safety of the space when the work was not permitted.

Commissioner Brom expressed similar concern with the unpermitted work on the home. He asked the course of action the City could take when work is done without a permit.

Commissioner Nealy asked if there is any information on those living in the home, referencing the City Code requirement that no more than two family units could occupy a single-family home.

Chair Hansen commented that the applicant has not followed up appropriately to address the concerns of staff. He stated that this would seem to be turning into a group home, which is not the intent of an ADU. He noted that there is already a history of parking violations, nonconformance, and disregard of the permit process. He stated that he would uphold the staff decision.

Commissioner Meisner asked the path for remedy for a homeowner with unpermitted work. Ms. Abts stated that a property owner can work with a building inspector to ensure that the work completed meets the building code. She stated that the decision tonight is whether or not the decision to deny the ADU permit was correct.

Motion by Commissioner Klemz to uphold the staff decision based on the written findings of fact as presented to the Commission. Seconded by Commissioner Meisner.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously.

Adjournment

Motion by Commissioner Meisner to adjourn the meeting. Seconded by Commissioner Heuchert.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously and the meeting adjourned at 6:55 p.m.

Respectfully submitted,

Stacy Stromberg, Staff Liaison



Planning Commission

May 21, 2025

7:00 PM

Fridley City Hall, 7071 University Avenue NE

Minutes

Call to Order

Chair Hansen called the Planning Commission Meeting to order at 7:00 p.m.

Present

Pete Borman
 Aaron Brom
 Mark Hansen
 Mike Heuchert
 Aaron Klemz
 Ross Meisner

Absent

Paul Nealy

Others Present

Stacy Stromberg, Planning Manager
 Nancy Abts, Associate Planner
 Scott Hickok, Community Development Director
 Zaheer Baber, Islamic Center of Minnesota President
 Javeed Hadi, Islamic Center of Minnesota Vice President
 Ibrahim Mujir, Islamic Center of Minnesota
 Abdullah Naser, Al Shifa Clinic
 Nate McNeilly, Chopper Powersports
 Justin Ogg, Chopper Powersports

Approval of Meeting Minutes

1. Approve April 16, 2025, Planning Commission Minutes

Motion by Commissioner Meisner to approve the minutes. Seconded by Commissioner Heuchert.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously.

Public Hearing

2. Public Hearing to Consider a Special Use Permit, SP #25-02 to Allow a Clinic at 1413 Gardena Avenue NE

Motion by Commissioner Meisner to open the public hearing. Seconded by Commissioner Borman.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously and the public hearing was opened at 7:01 p.m.

Nancy Abts, Associate Planner, reported that the Islamic Center of Minnesota has requested a Special Use Permit to operate a clinic at 1413 Gardena Avenue NE. She stated that the clinic has operated inside the Islamic Center for the past 30 years in a limited capacity. She reviewed the site description and history of the property and provided additional information on Code compliance and the related stipulations, which are recommended. Staff believe this to be a reasonable use of the property, subject to the stipulations and revocation of the previously approved Special Use Permit for a daycare use.

Commissioner Meisner asked if the plan contains an update to the sidewalk. Ms. Abts commented that the plan shows a potential sidewalk connection, which does not currently exist. She confirmed that it would seem to be a privately maintained sidewalk if it were to be built, and confirmed that is not currently a draft condition of approval. She stated that adequate parking is a condition, and the sidewalk could provide access to shared parking at the Islamic Center.

Commissioner Borman commented that clinic is a broad term and asked if there would be lab work performed at this location.

Ibrahim Mujir, Islamic Center of Minnesota, commented that he has been running the clinic for the past 25 years. He stated that the clinic is mostly run by volunteers, and patients can receive free services. He commented that they do not perform lab work and that service is referred to another location. He stated that they do offer flu shot clinics. He stated that they see six to eight patients on a typical week, most of whom do not have health insurance. He commented that they do receive referrals from Anoka County, and they do not discriminate against the patients they serve.

Commissioner Meisner asked how the applicant plans to address the issue of parking. Javeed Hadi, Vice President of the Islamic Center, commented that they will install a driveway from the existing driveway to the main parking lot entrance. He explained that the patients will park in the main parking lot and walk to the clinic. He stated that the driveway would be used for patient drop-off only. He stated that the neighborhood could also use the sidewalk.

Commissioner Heuchert stated that as someone who lives in the neighborhood, he appreciates the sidewalk.

Commissioner Brom asked if the space meets the needs of the user or whether there would be any expansion or remodeling. Mr. Hadi replied that they will be remodeling the existing building to have three patient rooms, and they will use the living room as the lobby. He noted that they will only

schedule a few patients at a time. It was noted that they received a grant from Anoka County to create a website and scheduling system, which has benefited the clinic.

Commissioner Meisner asked how much space the clinic currently uses inside the Islamic Center. Dr. Mujir replied that they only have two small rooms currently and use the library as the waiting area.

Motion by Commissioner Meisner to close the public hearing. Seconded by Commissioner Heuchert.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously and the public hearing was closed at 7:19 p.m.

Commissioner Brom commented that a free clinic is a great use.

Commissioner Klemz commented that he is comfortable allowing staff to work with the applicant to address the parking issue. Chair Hansen stated that he would like to see a condition related to the parking, as the parking on the plan is not realistic. He stated that a turnaround would need to be constructed if the parking were to work correctly. He noted that if the driveway is only going to be used for drop off, then that would seem to make sense, and parking would then need to be provided in the main lot with a sidewalk to provide the connection. He suggested that the sidewalk be constructed as part of the approval and wanted to see that added as a condition.

Commissioner Meisner commented that is within the plans of the applicant and was just discussed in the applicant's comments. Mr. Hadi confirmed that the intent is to build a sidewalk to provide a safe pedestrian access between the properties.

Stacy Stromberg, Planning Manager, commented that a condition could be added if that is the desire of the Commission or staff, and the applicant can work together on that solution.

Commissioner Meisner asked if the City has plans for a sidewalk along Gardena. Ms. Abts commented that there is an idea for a shared trail along Gardena, but believed that would be on the south side. Ms. Stromberg commented that these two sites will essentially act as a campus, and therefore, an internal sidewalk could be considered. Chair Hansen agreed that would seem more appropriate if there is not a sidewalk planned for that side of the road.

Commissioner Borman did not believe a condition is necessary, as it sounds like this could be worked out between staff and the applicant to find the proper solution.

Motion by Commissioner Heuchert to recommend approval of Special Use Permit SP #25-02, subject to stipulations and revocation of Special Use Permit SP #03-01 for a daycare use. Seconded by Commissioner Borman.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously.

3. Public Hearing to Consider an Interim Use Permit, IUP #25-01, by Chopper Powersports to Allow the Property at 7151 Highway 65 NE to be Temporarily Used for the Storage and Display of Off-Road Vehicles

Motion by Commissioner Meisner to open the public hearing. Seconded by Commissioner Heuchert.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously and the public hearing was opened at 7:27 p.m.

Ms. Stromberg presented a request for an Interim Use Permit (IUP) to allow the property at 7151 Highway 65 NE to be used temporarily, a maximum of three years, for the storage and display of off-road vehicles. She reviewed the site description, history, and analysis of the request. Staff recommends approval of the IUP, subject to stipulations, with an expiration of June 9, 2028.

Commissioner Borman asked if the sale of the property has been finalized.

Nate McNealy, Chopper Power Sports, commented that they do have an agreement with the property owner for a temporary lease. He stated that they will sign the lease once they have received the approvals from the City. He noted that they are going to expand the building and at that time they would purchase the property. He confirmed that they would be combining the lots in the future.

Motion by Commissioner Meisner to close the public hearing. Seconded by Commissioner Borman.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously and the public hearing was closed at 7:36 p.m.

Chair Hansen commented that the request is reasonable and the stipulations make sense. He wished the applicant luck in their future expansion. Commissioner Borman commented that he supports the expansion of a local business. Commissioner Meisner agreed that it is nice to see a business succeeding and needing more space.

Motion by Commissioner Borman recommending approval of Interim Use Permit IUP #25-01 for a three-year period expiring on June 9, 2028, subject to stipulations. Seconded by Commissioner Brom.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously.

Other Business

Scott Hickok, Community Development Director, commented that it has been his pleasure to serve the City of Fridley and work with the Planning Commission on some great projects throughout his career. He stated that the Commission is very thoughtful and prepared, and provides a great service to the community as volunteers. The Commission wished him well in his retirement.

Ms. Stromberg provided updates on recent actions of the City Council on planning-related matters.

Adjournment

Motion by Commissioner Meisner to adjourn the meeting. Seconded by Commissioner Klemz.

Upon a voice vote, all voting aye, Chair Hansen declared the motion carried unanimously and the meeting adjourned at 7:43 p.m.

Respectfully submitted,

Stacy Stromberg, Staff Liaison



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Mike Maher, Director of Parks and Recreation

Title

Receive the Minutes from the Parks and Recreation Commission Meeting of April 7, 2025

Background

Attached are the minutes from the Parks and Recreation Commission meeting of April 7, 2025.

Financial Impact

None.

Recommendation

Receive the minutes from the Parks and Recreation Commission meeting of April 7, 2025.

Focus on Fridley Strategic Alignment

- | | |
|--|---|
| ☐ Vibrant Neighborhoods & Places | ☐ Community Identity & Relationship Building |
| ☐ Financial Stability & Commercial Prosperity | ☐ Public Safety & Environmental Stewardship |
| ☒ Organizational Excellence | |

Attachments and Other Resources

- Minutes from the Parks and Recreation Commission of April 7, 2025

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



Park Commission Meeting

April 7, 2025

7:00 PM

Fridley City Hall, 7071 University Avenue NE

Minutes

Call to Order

Chair Borman called the Parks and Recreation Commission meeting to order at 7:00 p.m.

Present

EB Graham
 Peter Borman
 Melissa Luna
 Tim Kirk
 Ken Schultz
 Don Whalen

Also Present

Mike Maher, Parks and Recreation Director
 Nick Schmidt, City Engineer

Approve Parks & Recreation Commission Agenda for April 7, 2025

Motion by Commissioner Kirk to approve the April 7, 2025, meeting agenda. Seconded by Commissioner Graham. The motion passed unanimously.

Approve Parks & Recreation Commission Minutes for February 3, 2025

Motion by Commissioner Whalen to approve the February 3, 2025, meeting minutes. Seconded by Commissioner Schultz. The motion passed unanimously.

Open Forum

Jodi Rehlander commented that she will be the newest member of the Commission and introduced herself.

New Business

1. Innsbruck Nature Center Invasive Species Volunteer Check-In

Maija Sedzalarz provided background information on the collaborative effort, which began in 2004, to remove buckthorn and invasive species from the Innsbruck Park and Springbrook Nature Center properties.

Julie Wellman commented that she moved to Fridley four years ago and provided information on the volunteer effort they began in 2023 to clean up buckthorn at Innsbruck using the critical cut method. She estimated that she and Ms. Sedzalarz spent 60 to 80 hours between the two of them during the 2023 season. They gained 17 additional volunteers who assisted in 2024 with buckthorn removal at Innsbruck, noting 280 hours spent on the project. She commented that she was impressed with the social/community element involved with the project.

Ms. Sedzalarz commented on the upcoming training/refresher they will be conducting at Innsbruck to prepare for the upcoming season.

Commissioner Whalen asked the percentage of Innsbruck that they would estimate has been addressed through the volunteer efforts. Ms. Wellman replied that they have done one acre of the 24 acres.

Chair Borman commented that it was his understanding that the only way to remove buckthorn was to pull it up and asked if they are having success with this method. Ms. Wellman commented that this method does take longer, as it can take one or two years for the plant to die, but it is less backbreaking as well. Ms. Sedzalarz commented that the City of Minneapolis and the University of Minnesota are also using the critical cut method.

The Commission commented on what a great effort this is, as well as an opportunity for residents to gain community service hours.

2. Fridley Youth Sports Association Baseball Check-In

Taylor Stein, FYSA Baseball President, provided information on the upcoming season, noting that practices begin in one week. He stated that he has been involved with FYSA baseball since 2020. He provided information on the FYSA baseball program and the fields used by the different levels. He noted some locations that would be nice to have a porta-potty added.

Chair Borman asked how the numbers compare to the previous year. Mr. Stein commented that the numbers are similar, with some slight decreases due to Columbia Heights forming their own team, along with some players aging out to high school.

The Commission thanked Mr. Stein for his work and the update.

3. Commons Park Bid Approval and Construction Update

Nick Schmidt, City Engineer/Project Manager, explained that the park is split into two projects, which are site improvements and the building. He provided information on the bidding for both

the site work and building projects and included project elements. He stated that staff are currently looking at options for lighting that will help to decrease that cost, as that element bid was higher than anticipated. He stated that the project bids were approved at the March 24th Council meeting, and the goal is to have the park open for the summer of 2026. He reviewed details of the proposed construction phasing for the projects, noting that phase two would begin after the completion of the 2025 baseball season. He provided information on what residents can expect during construction in the park. He confirmed that the contractor has worked with the City on multiple park improvement projects over the past five years.

Mike Maher, Parks and Recreation Director, commented on the great job that Mr. Schmidt does.

4. Commission Appreciation Dinner

Chair Borman noted the upcoming Commission Appreciation Dinner. Mr. Maher hoped that everyone on the Commission could join them for the event on April 21st.

Old Business

None

Staff Reports

5. Staff Reports for Parks and Recreation Team

Mr. Maher provided a brief overview of the staff reports for parks and recreation.

Chair Borman noted the upcoming Spring Spree event, which features a golden ticket contest.

Adjournment

Commissioner Luna made the motion to adjourn the meeting at 8:08 p.m. Seconded by Commissioner Whalen. The motion passed unanimously.

Respectfully submitted,

Mike Maher, Staff Liaison



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Jim Kosluchar, Director of Public Works
Rachel Workin, Environmental Planner

Title

Resolution No. 2025-65, Authorizing a Community Implementation Grant from the Minnesota Pollution Control Agency for Commons Park Improvements

Background

The Minnesota Pollution Control Agency (MPCA) solicited proposals through its Community Implementation Grant program for projects that increase resilience of public spaces to the impacts of climate change, including extreme heat. The City of Fridley (City) submitted a grant request for elements of the Commons Park project that will reduce heat generation and/or provide respite to park users from extreme heat. These include:

- Replacement of existing impervious surfaces (parking lot and ice rink) near the Water Treatment Plant that will be enclosed by fencing and no longer used with a drought-resistant turf mix
- Two picnic shelters with seating
- Three benches shaded with solar shade structures that also provide an opportunity to power electronic devices

The City was awarded \$133,840.80 in grant funds plus a five percent contingency of \$6,692.04 for a total award up to \$140,532.84. Proposed work is included within Phase 2 of the Commons Park construction project.

Financial Impact

The grant requires a match of 10% of total project costs (\$16,202.30 plus \$810.12 in contingency). This amount is included within the approved budget for the Commons Park construction project.

Recommendation

Staff recommend the approval of Resolution No. 2025-65, Authorizing a Community Implementation Grant from the Minnesota Pollution Control Agency for Commons Park Improvements.

Focus on Fridley Strategic Alignment

☒ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☐ Financial Stability & Commercial Prosperity	☒ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Attachments and Other Resources

- Resolution No. 2025-65
- Grant agreement

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-65

Authorizing a Community Implementation Grant from the Minnesota Pollution Control Agency for Commons Park Improvements

Whereas, the City of Fridley (City) began a process of understanding the needs and desires of residents for City parks improvements in 2019 called "Finding Your Fun in Fridley" by conducting public workshops with residents; and

Whereas, Fridley residents expressed an interest in improving City parks by upgrading playgrounds and amenities; and

Whereas, on April 25, 2022, the Council adopted Resolution No. 2022-36, which approves the Park System Improvement Plan Final Report and authorizes staff to begin the implementation phase of the Plan; and

Whereas, extreme heat events are increasing and detract from the safe enjoyment of outdoor spaces; and

Whereas, the Minnesota Pollution Control Agency (MPCA) offered a Community Implementation Grant program for projects that offset the impacts of extreme heat in public spaces; and

Whereas, the City applied for and received a grant of \$133,840.80 plus a five percent contingency of \$6,692.04 towards elements of the Commons Park Project that met the program; and

Whereas, the grant requires a match of \$16,202.31 plus a five percent contingency of \$810.12 for which the City has allocated in the approved budget for the Commons Park Project.

Now, therefore be it resolved, that the City Council of the City of Fridley hereby agrees to the terms and conditions of the grant agreement and authorizes the proper city officers to execute the grant agreement, any amendments thereto with the MPCA concerning the above-referenced grant, and contracts needed for the successful implementation of the project.

Passed and adopted by the City Council of the City of Fridley this 9th day of June, 2025.

Dave Ostwald – Mayor

Attest:

Melissa Moore – City Clerk



520 Lafayette Road North
St. Paul, MN 55155-4194

Grant Agreement
State of Minnesota

SWIFT Number: 267209
AI: 233124
Activity ID: PRO20250001

This grant agreement is between the state of Minnesota, acting through its Commissioner of the **Minnesota Pollution Control Agency**, 520 Lafayette Road North, St. Paul, MN 55155-4194 ("MPCA" or "State"), **City of Fridley**, 7071 University Avenue, Fridley, MN 55432 ("Grantee").

Recitals

1. Under Minn. Stat. § 116.03, subd. 2, the State is empowered to enter into this grant agreement.
2. The State is in need of the **Commons Park Resiliency Enhancements** (project).
3. Grantee will comply with required grants management policies and procedures set forth through [Minn. Stat. § 16B.97](#), subd. 4(a)(1).
4. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant agreement to the satisfaction of the State. Pursuant to [Minn. Stat. § 16B.98](#), subd. 1, the Grantee agrees to minimize administrative costs as a condition of this grant.

Grant Agreement

1. Term of Grant Agreement

- 1.1 **Effective date:** May 15, 2025, Per [Minn. Stat. § 16B.98](#), Subd. 5, the Grantee must not begin work until this grant contract is fully executed and the State's Authorized Representative has notified the Grantee that work may commence. [Per Minn. Stat. § 16B.98](#), subd. 7, no payments will be made to the Grantee until this grant agreement is fully executed.
- 1.2 **Expiration date:** June 30, 2027, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of terms.** The following clauses survive the expiration or cancellation of this grant agreement: Indemnification; State Audits; Government Data Practices and Intellectual Property; Publicity and Endorsement; Governing Law, Jurisdiction, and Venue; and Data Disclosure.

2. Grantee's duties

The Grantee, who is not a state employee, will perform the duties specified in **Attachment A**, which is attached and incorporated into this grant agreement.

3. Time

The Grantee must comply with all the time requirements described in this grant agreement. In the performance of this grant agreement, time is of the essence.

4. Consideration and payment

- 4.1 **Consideration.** The State will pay for all services performed by the Grantee under this grant agreement as follows:

- (a) **Compensation.** The Grantee will be compensated for eligible costs related to the project as outlined in **Attachment A**, which is attached and incorporated into this agreement. Grantee certifies they will provide no less than 10% (ten percent) of the total grant amount as cash match or in-kind services. Items that are determined ineligible will not be reimbursed. The total obligation includes **\$6,692.04 (Six Thousand Six Hundred Ninety-Two Dollars and Four Cents)** for contingency costs. The Grantee must submit a request in writing to the MPCA for approval prior to using the contingency funds.
- (b) **Travel expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant agreement will not exceed \$0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
- (c) **Total obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant agreement will not exceed **\$140,532.84 (One Hundred Forty Thousand Five Hundred Thirty-Two Dollars and Eighty-Four Cents)**.

4.2 Payment

- (a) **Invoices.** The State will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

Invoices for expenses incurred to-date may be submitted as frequently as monthly. First invoice is encouraged no later than 6 (six) months or midway through the project, whichever comes first. Email updates about the status of the project are required to be provided to the State's Authorized Representative whenever an invoice is submitted to MPCA Accounts Payable. The State's Authorized Representative will not approve an invoice through the state system without this project update. A final invoice for payment of remaining grant funds expended by the project is required to be submitted at the completion of the project after a Grant Project Final Report, in a format provided to the Grantee by the MPCA, has been submitted to the State's Authorized Representative and approved. Payment of the final 10% (ten percent) of grant funds will be held back until the project is completed satisfactorily and all deliverables have been submitted and approved.

Invoices must be emailed to mpca.ap@state.mn.us, and contain the following information:

- Name of Grantee
- Grantee's Authorized Representative
- State's Authorized Representative
- SWIFT Number
- Total amount requested for this invoicing period
- Invoice number
- Invoice date
- Invoicing period (actual working period covered by the invoice)
- Cumulative amount of grant expended to date
- Amount of match expended this invoicing period
- Cumulative amount of match expended to date
- Time and material breakdown for invoicing period:
 - o Itemization **by each task worked on that period and for each position that worked on it** showing actual hourly rates, hours worked and total dollar amounts (divided into grant-funded and match); consultant invoices may be requested
 - o Receipts for supplies and any other itemized materials costs to be reimbursed with grant funds or counted as match
 - o Itemized per diem expenses, stipends or similar; receipts may be requested to be

submitted with invoice

- Other items as requested

If there is a problem with submitting an invoice electronically, please contact the Accounts Payable Unit at 651-757-2491.

The Grantee shall submit an invoice for the final payment within 15 (fifteen) days of the original or amended end date of this grant agreement. The State reserves the right to review submitted invoices after 15 (fifteen) days and make a determination as to payment.

- (b) The Grantee must promptly return to the State any unexpended funds that have not been accounted for annually in a financial report to the State due at grant closeout.

4.3 Contracting and bidding requirements

Per [Minn. Stat. §471.345](#), grantees that are municipalities as defined in Subd. 1 must follow the law.

- (a) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. §§177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

- (b) The grantee must not contract with vendors who are suspended or debarred in Minnesota found on the Minnesota Department of Administration website at <https://mn.gov/admin/osp/government/suspended-debarred/>.

5. Conditions of payment

All services provided by the Grantee under this grant agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6. Authorized Representative

The State's Authorized Representative is **Aimee Duchene**, 714 Lake Ave, Suite 220, Detroit Lakes, MN 56501, 218-846-8133, aimee.duchene@state.mn.us, or their successor, and has the authority to monitor the Grantee's performance and to accept the services provided under this agreement.

The Grantee's Authorized Representative is **Rachel Workin**, 7071 University Avenue, Fridley, MN 55432, 763-572-3594, Rachel.Workin@FridleyMN.gov, or their successor. If the Grantee's Authorized Representative changes at any time during this grant agreement, the Grantee must immediately notify the State.

7. Assignment, Amendments, Change Orders, Waiver, and Grant Agreement complete

- 7.1 **Assignment.** The Grantee shall neither assign nor transfer any rights or obligations under this grant agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant agreement, or their successors in office.
- 7.2 **Amendments.** Any amendments to this grant agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant agreement, or their successors in office.
- 7.3 **Change Orders.** If the State's Project Manager or the Grantee's Authorized Representative identifies a change needed in the workplan and/or budget, either party may initiate a Change Order using the Change Order Form provided by the MPCA. Change Orders may not delay or jeopardize the success of the Project, alter the overall scope of the Project, increase or decrease the overall amount of the grant agreement, or cause an extension of the term of this Agreement. Major changes require an Amendment rather than a Change Order.

The Change Order Form must be approved and signed by the State's Project Manager and the Grantee's Authorized Representative **in advance of doing the work**. Documented changes will then become an integral

and enforceable part of the Agreement. The MPCA has the sole discretion on the determination of whether a requested change is a Change Order or an Amendment. The state reserves the right to refuse any Change Order requests.

- 7.4 **Waiver.** If the State fails to enforce any provision of this grant agreement, that failure does not waive the provision or the State's right to enforce it.
- 7.5 **Grant Agreement complete.** This grant agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant agreement, whether written or oral, may be used to bind either party.

8. Indemnification

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant agreement.

9. State audits

Under [Minn. Stat. § 16B.98](#), subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10. Government data practices and intellectual property

10.1 **Government data practices.** The Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant agreement. The civil remedies of [Minn. Stat. § 13.08](#) apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 Intellectual property rights

(a) **Intellectual property rights.** The State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this grant agreement. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this grant agreement. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this grant agreement. The Documents shall be the exclusive property of the State and all such Documents must be immediately returned to the State by the Grantee, at the Grantee's expense, upon the written request of the State, or upon completion, termination, or cancellation of this grant agreement. To the extent possible, those Works eligible for copyright protection under the United States' Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the Works and the Documents to the State. The Grantee must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

(b) Obligations.

- (1) **Notification.** Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its employees and subcontractors, in the performance of this grant agreement, the Grantee shall immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure therein.
- (2) **Representation.** The Grantee must perform all acts and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State, and that neither Grantee nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause Liability, the Grantee shall indemnify, defend, to the extent permitted by the Attorney General, and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including, but not limited to, attorney fees. If such a claim or action arises or in Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.
- (3) **License.** The State hereby grants a limited, no-fee, noncommercial license to the Grantee to enable the Grantee's employees engaged in research and scholarly pursuits to make, have made, reproduce, modify, distribute, perform, and otherwise use the Works, including Documents, for research activities or to publish in scholarly or professional journals, provided that any existing or future intellectual property rights in the Works or Documents (including patents, licenses, trade or service marks, trade secrets, or copyrights) are not prejudiced or infringed upon, that the Minnesota Data Practices Act is complied with, and that individual rights to privacy are not violated. The Grantee shall indemnify and hold harmless the State for any claim or action based on the Grantee's use of the Works or Documents under the provisions of Clause 10.2(b)(2). Said license is subject to the State's publicity and acknowledgement requirements set forth in this grant agreement. The Grantee may reproduce and retain a copy of the Documents for research and academic use. The Grantee is responsible for security of the Grantee's copy of the Documents. A copy of any articles, materials or documents produced by the Grantee's employees, in any form, using or derived from the subject matter of this license, shall be promptly delivered without cost to the State.

11. Workers' compensation

The Grantee certifies that it is in compliance with [Minn. Stat. § 176.181](#), subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12. Publicity and endorsement

12.1 Publicity. Any publicity regarding the subject matter of this grant agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant agreement.

12.2 Endorsement. The Grantee must not claim that the State endorses its products or services.

13. Governing law, jurisdiction, and venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant agreement. Venue for all legal proceedings out of this grant agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14. Termination

14.1 Termination by the State.

- (a) **Without Cause.** The State may immediately terminate this grant agreement without cause, upon 30-days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- (b) **With Cause.** The State may immediately terminate this grant agreement if the State finds that there has been a failure to comply with the provisions of this grant agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the state of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.2 Termination by the Commissioner of Administration.

The Commissioner of Administration may immediately and unilaterally cancel this grant agreement if further performance under the agreement would not serve agency purposes or is not in the best interest of the State.

14.3 Termination for insufficient funding.

The State may immediately terminate this grant agreement if:

- (a) It does not obtain funding from the Minnesota Legislature.
- (b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

15. Data disclosure

Under [Minn. Stat. § 270C.65](#), subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any. To protect Grantee's personal data, Grantee is strongly encouraged to obtain and use a Minnesota tax identification number.

16. Reporting Requirements

Construction/Equipment Purchase Notification. For construction projects, The Grantee shall notify the MPCA when project construction begins and ends. The project needs to be available to MPCA staff during and after construction for equipment purchases, Grantee shall notify the MPCA when equipment is acquired.

Construction/Equipment Purchase Progress Report. The Grantee shall provide a progress report on a six-month schedule and whenever an invoice is submitted, or upon request. This progress report will include metrics as appropriate for the project.

Construction Final Report. The Grantee shall provide a construction final project report using the MPCA template approximately one month prior to the end of the grant agreement of June 30, 2027, or at completion of the project, whichever occurs first. The final report will include, as-builts, relevant metrics and all project deliverables identified in **Attachment A**. MPCA will need to certify that the project has been constructed as described in **Attachment A**, through invoices, photos, or site visits.

Equipment Purchase Final Report: The Grantee shall submit an equipment purchase final report to the MPCA by the date specified in **Attachment A**, in a format provided by the MPCA, including relevant metrics associated with the equipment purchase to date. MPCA will need to certify that the equipment purchased is as described in **Attachment A**, through invoices, photos or site visits.

If the MPCA determines that the information submitted in the Final Report and/or Project Deliverables is inadequate, the Grantee shall prepare and submit additional/corrected information reasonably requested by the MPCA. The Final Report and Project Deliverables shall not be approved by the MPCA and final payment shall not be disbursed unless the Report and Deliverables contains the specified information to the satisfaction of the MPCA.

17. Prevailing Wage

Pursuant to Minnesota Statutes 177.41 to 177.44 and corresponding Minnesota Rules 5200.1000 to 5200.1120, this contract is subject to the prevailing wages as established by the Minnesota Department of Labor and Industry. Specifically, all contractors and subcontractors must pay all laborers and mechanics the established prevailing wages for work performed under the contract. Failure to comply with the aforementioned may result in civil or criminal penalties. Rates are listed in **Attachment B**.

In compliance with Minn. Stat. § 177.43, subd. 3 and §177.44, subd. 5, the wages of laborers, workers, and the mechanics on projects financed in whole or part by State Funds should be comparable to wages paid for similar work in the community as a whole. Project includes erection, construction, remodeling, or repairing of a public building or other public work financed in whole or part by State funds.

Any work on real property which uses the skill sets of any trades covered by Labor Code and Class under prevailing wages is construction and requires prevailing wages. See

<http://www.dli.mn.gov/business/employment-practices/prevailing-wage-information> for a list of affected trades.

The Contractor shall pay prevailing wages to its employees when conducting construction activities under this agreement.

Applicability. In accordance with Minn. Stat. § 177.43, subd. 7. This does not apply to an agreement or work under an agreement, under which:

- the estimated total cost of completing the project is less than \$2,500 and only one trade or occupation is required to complete the work; or
- the estimated total cost of completing the project is less than \$25,000 and more than one trade or occupation is required to complete it.

Choose from Commercial, Highway/Heavy:

The prevailing wage rate requirements are attached as **Attachment B**.

Prevailing Wage Payroll Information:

In accordance with Minn. Stat. § 177.30, subd. 4, and § 177.43, subd. 3, the Contractor and Subcontractor shall furnish to the Contracting Authority and the Project Owner:

- All payrolls, of all workers on the project, a certified payroll report via e-mail as attachments, a State of Minnesota Prevailing Wage Payroll Report as a Microsoft Excel file and Statement of Compliance Form as a PDF file to the appropriate e-mail addresses: prevailingwage.rmad.pca@state.mn.us and MPCA's Authorized Representative listed in Clause 6.
- The Subject line on the Contractor's or Subcontractor's e-mail must give their firm's name and the Contract or Purchase Order Number.
- These completed forms must be furnished not more than 14 days after the end of each pay period.
- The State of Minnesota Prevailing Wage Payroll Report and Statement of Compliance Form are available on the MMD website at http://www.dli.mn.gov/sites/default/files/pdf/pw_certified_payroll_form.pdf. Submit the completed and signed State of Minnesota Prevailing Wage Payroll Report as a Microsoft Excel file and the Statement of Compliance Form as a PDF file, no other payroll forms will be accepted to meet this requirement.

The prevailing wage payroll information forms that are submitted shall be maintained by the contracting agency for a minimum of three years after final payment has been made on the project. All of the data provided on the Prevailing Wage Payroll Information Form will be public data, which is available to anyone upon request.

Refer vendor questions regarding the Prevailing Wage Laws to the Department of Labor and Industry at 651-284-5091 or visit the website for Labor Standards Section, Prevailing Wage <http://www.dli.mn.gov/business/employment-practices/prevailing-wage-information>

All construction work needs an IC-134 form submitted by the Contractor before payment can be made. The Contractor can find a copy of the IC-134 online at the Minnesota Department of Revenue website at <https://www.revenue.state.mn.us/sites/default/files/2019-01/ic134.pdf>

Signatures

Project title: Commons Park Resiliency Enhancements

1. Project Summary

Organization: City of Fridley
Contractor contact name: Rachel Workin
Title: Environmental Planner
Address: 7071 University Avenue
Fridley, MN 55432
Phone: 763-572-3594
Email: Rachel.Workin@FridleyMN.gov

Minnesota Pollution Control Agency (MPCA) contact:

MPCA project manager: Aimee Duchene
Title: Grants Specialist Coordinator
Address: 714 Lake Ave, Suite 220
Detroit Lakes, MN 56501
Phone: 218-846-8133
Email: aimee.duchene@state.mn.us

Statement of project purpose

The purpose of this project is to increase the resiliency of Commons Park to the impacts of extreme heat by replacing heat-island causing impervious pavements with drought-tolerant landscaping and increasing the amount of shade.

Goal statement: Unutilized impervious surfaces in proximity to athletic facilities will be replaced with drought-tolerant landscaping to reduce the impacts of the urban heat island effect on park users.

Project deliverables: Approximately 0.9-acres of impervious surface will be replaced with a low-maintenance, drought tolerant turf mix (25-131 or comparable). Three benches with solar canopies will be installed to provide shade in unshaded areas of the park.

2. Workplan Details

Task 1 of 3: Replace approximately 0.9-acres of impervious surface with low-maintenance, drought tolerant turf mix (25-131 or comparable).

Subtask 1a: Remove asphalt parking lot and bituminous hockey rink.

Brief description of activities involved: The asphalt parking lot and bituminous hockey rink will be demolished.

Subtask 1b: Plant area with drought-tolerant landscaping.

Brief description of activities involved: The area will be amended with topsoil and seeded.

Task 2 of 3: Install three benches with solar canopies and two shelters with seating.

Subtask 2a: Install three concrete pads for the benches.

Brief description of activities involved: Three 9 X 4'6" concrete pads will be poured.

Subtask 2b: Install three benches with solar canopies.

Brief description of activities involved: A bench covered by an Aurora Solar Trellis from Enerfusion will be installed on each concrete pad.

Subtask 2c: Install two shelters

Brief description of activities involved: Two shelters will be installed

Subtask 2d: Install four picnic tables

Brief description of activities involved: Four picnic tables will be installed within the two shelters

Task 3 of 3: Submit final grant report.

Subtask 3a: Submit Final Grant Report.

Brief description of activities involved: The grantee will provide a final grant project report using the MPCA template approximately one month prior to the end of the grant agreement of June 30, 2027, or at completion of the project, whichever occurs first. City of Fridley will respond promptly to any requests by the MPCA authorized representative for additional information and/or corrections to the report.

Subtask 3b: Submit Project Deliverables.

Brief description of activities involved: The grantee will provide electronic files of all project deliverables to the MPCA authorized representative one month prior to the end of the grant agreement of June 30, 2027, or at the completion of the project, whichever occurs first.

3. Budget

	Item Description	Grant funds	Budgeted cash match	Total budget
1. Engineer's Estimate of Cost	Remove Bituminous Pavement	\$4,929.01	\$547.67	\$5,476.68
	Reclaim Bituminous Pavement	\$1,649.12	\$183.24	\$1,832.36
	Remove Curb and Gutter	\$1,110.78	\$123.42	\$1,234.20
	Remove Rink Fencing	\$2,947.910	\$327.55	\$3,275.45
	Excavation-Common	\$2,502.90	\$278.10	\$2,781.00
	Loam Topsoil Borrow	\$34,542.81	\$3,838.09	\$38,380.90
	Rapid Stabilization Method two (2)	\$5,563.84	\$618.20	\$6,182.04
	Seeding	\$9,932.38	\$1,103.60	\$11,035.98
	No Mow Mix	\$282.60	\$31.40	\$314.00
	Furnishing And Installation Of three (3) Aurora Solar Trellis	\$19,332.00	\$2,148.00	\$21,480.00
	Bench	\$4,050.00	\$450.00	\$4,500.00
	Bench Install	\$1,047.01	\$116.33	\$1,163.34
	4" Concrete Bench Pads	\$784.04	\$87.12	\$871.16
	Icon Monoslope Shelter	\$37,868.40	\$4,207.60	\$42,076.00
	Picnic Tables	\$7,298.01	\$2,141.99	\$9,440.00
Subtotal- Construction costs		\$133,840.80	\$16,202.301	\$150,043.11
2. Contingencies (maximum 5% of construction costs)		\$6,692.04	\$810.12	\$7,502.16
Total Project Cost (not to exceed)		\$140,532.84	\$17,012.423	\$157,545.267



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Patrick Faber, Deputy Director of Police

Title

Resolution No. 2025-67, Accepting the 2025 Edward Byrne Memorial Justice Assistance Grant (JAG) Program

Background

The City of Fridley, along with our neighboring city Coon Rapids, received a \$24,271 Justice Assistance Grant (JAG) from the federal government to help the police departments buy important equipment. The City of Fridley and City of Coon Rapids decided to team up on this grant application, with Coon Rapids serving as the main administrator while Fridley focuses on expanding its tactical medical team. Fridley's portion of the funding will be used to train two officers in tactical emergency medical services and purchase the necessary medical equipment, which will help the division better respond to serious emergencies and keep both officers and community members safer.

Financial Impact

The City of Fridley will receive \$11,370 in JAG grant funding to expand the tactical medical team through officer training and equipment purchases, with no required matching funds from the City's budget. This grant allows the City to enhance our emergency response capabilities at no cost to taxpayers, as some of these items were not included in the current budget and would not have been purchased without this federal funding.

Recommendation

Staff recommend approval of Resolution No. 2025-67, Accepting the 2025 Edward Byrne Memorial Justice Assistance Grant (JAG) Program.

Focus on Fridley Strategic Alignment

☐ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☐ Financial Stability & Commercial Prosperity	☒ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Attachments and Other Resources

- Resolution No. 2025-67
- Coon Rapid's JAG Program Narrative
- Coon Rapid's MOU

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-67**Approval of the 2025 Edward Byrne Memorial Justice Assistance Grant (JAG) Program**

Whereas, the City of Fridley and the City of Coon Rapids received notice that they are eligible for a JAG grant in the amount of \$24,271.00 for the purpose of law enforcement equipment; and

Whereas, JAG funding program requires Anoka County's consent to the allocation of JAG monies even though Anoka County is not directly receiving JAG monies; and

Whereas, City of Coon Rapids will act as the fiscal agent for the administration of the grant; and

Whereas, Minnesota Statute § 471.59, subd. 1 allows two or more governmental units, by agreement entered into by their governing bodies, to jointly or cooperatively exercise any power common to both contracting parties; and further it allows one party to act on behalf of other participating units of government; and

Whereas, each governmental body, in performing governmental functions or in paying for the performance of government functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

Whereas, each governing body finds that the performance of this Agreement is in the best interests of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement.

Now therefore the cities of Fridley, Coon Rapids and Anoka County agree as follows:

Section 1.

Anoka County consents to the allocation of JAG monies and how Coon Rapids and Fridley will spend the JAG monies.

Section 2.

City of Coon Rapids will act as the fiscal agent for the Cities of Coon Rapids and Fridley to administer the grant.

Section 3.

Nothing in the performance of this Agreement shall impose any liability for claims against the City of Coon Rapids other than claims for which liability may be imposed by the Minnesota Tort Claims Act.

Section 4.

Nothing in the performance of this Agreement shall impose any liability for claims against Anoka County other than claims for which liability may be imposed by the Minnesota Tort Claim Act.

Section 5.

Each party to this agreement will be responsible for its own actions in providing services under this agreement and shall be liable for any civil liability that may arise from the furnishing of the services by the other party.

Section 6.

The parties to this agreement do not intend for any third party to obtain a right by virtue of this agreement.

Section 7.

By entering into this agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this agreement shall not create any rights in any party not a signatory hereto.

Section 8.

This Memorandum of Understanding may be executed in counterparts as of the day first written above.

Passed and adopted by the City Council of the City of Fridley this 9th day of June, 2025.

Dave Ostwald – Mayor

Attest:

Melissa Moore – City Clerk

**2024 Edward Byrne Memorial Justice Assistance Grant (JAG) Program Local
Solicitation – Amended
City of Coon Rapids (UEI: CLEWPJ2HP757)**

Program Narrative

The Cities of Coon Rapids and Fridley are suburbs of Minneapolis and are communities with citizens of diverse backgrounds. The cities are in Anoka County, MN. The City of Coon Rapids, the City of Fridley and Anoka County are all considered disparate jurisdictions on the 2024 Minnesota Local JAG Allocations list. The cities are allocated \$24,271 in JAG funding. Anoka County is not eligible for any funding. Coon Rapids will be the fiscal agent for the grant.

The Coon Rapids and Fridley Police Departments proposes to greatly enhance employee productivity and effectiveness as well as officer wellness and public safety by using JAG funds to purchase new equipment that is not otherwise budgeted.

The Coon Rapids Police Department would like to use the JAG funds to assist with the purchase the following items:

1. 30 Intoxilyzer 800 preliminary breath testing units for \$14,250.00.

Coon Rapids will use \$12,901 in JAG funding. The city will be responsible for \$1,349 of the purchase(s).

The Fridley Police Department will be using JAG funds to expand their tactical medical team by purchasing equipment and training as follows:

1. 2 registrations to the tactical EMS school for a total cost of \$4,000.
2. \$7,370 in startup equipment for the tactical medical team.

Fridley will use \$11,370 in JAG funding and will have no municipal matching funds.

The above use of funding is not covered by budgeted funds and would not be purchased without the JAG Allocation.

The Coon Rapids Police Department works cooperatively with the MN Bureau of Criminal Apprehension (BCA), the Anoka County Sheriff's Office and several neighboring jurisdictions including Blaine PD, and Anoka PD, as well as other community organizations like the Alexandra House. Each agency has different priorities based on the needs of their jurisdictions and citizenry, but all work cooperatively together on numerous projects and common problems, especially since we share borders, common goals, and clientele. This grant will allow those efforts to continue in a safe and efficient manner. All funds are expected to be spent within the first year of the grant being awarded.

**MEMORANDUM OF UNDERSTANDING
FOR THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)
PROGRAM FY 2024 LOCAL SOLICITATION**

THIS AGREEMENT is made and entered into on the ____ day of _____, 2025, by and between the City of Coon Rapids, acting by and through its City Council, City of Fridley, acting by and through its City Council and Anoka County, acting by and through its County Commissioners, all of Anoka County, State of Minnesota witnesseth:

WHEREAS, the City of Coon Rapids and City of Fridley received notice that they are eligible for a JAG grant in the amount of \$24,271.00 for the purpose of law enforcement equipment.

WHEREAS, JAG funding program requires Anoka County's consent to the allocation of JAG monies even though Anoka County is not directly receiving JAG monies;

WHEREAS, City of Coon Rapids will act as the fiscal agent for the administration of the grant.

WHEREAS, Minnesota Statute § 471.59, subd. 1 allows two or more governmental units, by agreement entered into by their governing bodies, to jointly or cooperatively exercise any power common to both contracting parties; and further it allows one party to act on behalf of other participating units of government; and

WHEREAS, each governmental body, in performing governmental functions or in paying for the performance of government functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interests of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement:
And

NOW THEREFORE, the cities of Coon Rapids, Fridley and Anoka County agree as follows:

Section 1.

Anoka County consents to the allocation of JAG monies and how Coon Rapids and Fridley will spend the JAG monies.

Section 2.

City of Coon Rapids will act as the fiscal agent for the Cities of Coon Rapids and Fridley to administer the grant.

Section 3.

Nothing in the performance of this Agreement shall impose any liability for claims against the City of Coon Rapids other than claims for which liability may be imposed by the Minnesota Tort Claims Act.

Section 4.

Nothing in the performance of this Agreement shall impose any liability for claims against Anoka County other than claims for which liability may be imposed by the Minnesota Tort Claim Act.

Section 5.

Each party to this agreement will be responsible for its own actions in providing services under this agreement and shall be liable for any civil liability that may arise from the furnishing of the services by the other party.

Section 6.

The parties to this agreement do not intend for any third party to obtain a right by virtue of this agreement.

Section 7.

By entering into this agreement, the parties do not intend to create any obligations

express or implied other than those set out herein; further, this agreement shall not create any rights in any party not a signatory hereto.

Section 8.

This Memorandum of Understanding may be executed in counterparts as of the day first written above.

COUNTY OF ANOKA

By: _____
Mike Gamache, Chair
Anoka County Board Commissioners

Dated: _____

By: _____
Jim Dickinson, County Administrator

Dated: _____

APPROVED AS TO FORM

By: _____
Bryan D. Frantz
Assistant County Attorney

Dated: _____

CITY OF COON RAPIDS

By: _____
Jerry Koch, Mayor

Dated: _____

By: _____
Matt Stemwedel, City Manager

Dated: _____

APPROVED AS TO FORM

By: _____
David J. Brodie
City Attorney

Dated: _____

CITY OF FRIDLEY

By: _____
David Ostwald, Mayor

Dated: _____

By: _____
Wally Wysopal, City Manager

Dated: _____

APPROVED AS TO FORM

By: _____
Sarah Sonsalla, City Attorney

Dated: _____



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Paul Bolin, Community Development Director
Stacy Stromberg, Assistant Community Development Director
Nancy Abts, Senior Planner

Title

Resolution No. 2025-68, Approving Special Use Permit, SP #25-02 for a Clinic and Repealing Expired Special Use Permit, SP #02-03 for a Daycare, for the Property at 1413 Gardena Ave NE (Ward 2)

Background

The petitioner, Shahid Mian, on behalf of the Islamic Center of Minnesota, is requesting a special use permit (SUP) to convert the existing single-family home at 1413 Gardena Ave NE to a clinic facility to house the nonprofit Al Shifa clinic. ("Shifa" means 'healing' or 'cure' in Arabic.) The clinic has operated within the Islamic Center of Minnesota since the 1990s. They now want to move to the freestanding building.

Proposed approval

Some patients come from as far away as Brainerd and Jordan, Minnesota. The clinic offers free healthcare to un- or under-insured patients. Because clinic staff are volunteers with other jobs, their availability limits the clinic to weekends. Appointments are required. A grant allowed the clinic to upgrade their website and online scheduling capability and increased use of the clinic.

Site description and history

The property is located north of Gardena Avenue N.E. The home has been owned by the Islamic Center since the 1990s. The property east of the building is occupied by the Islamic Center of Minnesota and Al Amal School.

The property is zoned R-1, Single Family. In 2003, the City Council (Council) approved a special use permit to allow a daycare at the site. However, the property is no longer used for a daycare and the special use permit has lapsed.

Code Requirements and Analysis

Hospitals, Clinics, Convalescent/Nursing homes, and Assisted Living facilities are allowed with a special use permit in the R-1 zoning district, subject to stipulations.

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

The existing building will be remodeled to be used as a clinic. The main floor will contain three clinical treatment rooms, a large waiting room, and a computer lab. The former kitchen will be used as a staff area. The lower level will not be used for the clinic. The detached garage will continue to be used for storage.

PARKING

The current zoning code requires one off street parking space for every 150 square feet of health care service area. Since plans show 1,421 square feet for the clinic, nine off-street spaces are needed. The applicant proposes to provide additional parking at the adjacent Islamic Center property. They will build a sidewalk to connect the Islamic Center parking area to the clinic.

An accessible ramp will be provided from the current driveway to the main entry. The current front door will be replaced with a glass commercial door.

LANDSCAPING

The applicant will update the front of the building, remove the existing conifers while adding the entry ramp and commercial door.

Under the landscaping requirements in effect until July 1, one tree is required for every 50 feet of site perimeter. Therefore, twelve trees are needed for a 100 foot x 200 foot lot, with at least 30% being evergreens. For each large tree retained on the property, the requirement for new trees is reduced by two. Submitted plans do not show existing trees, but aerial imagery of the site shows there are several trees in the back yard. If these trees are documented on a landscaping plan, fewer new trees will be required.

PERMITTED USE

The proposed clinic offers primary health care and psychiatric care. They are considering offering dental care in the future. The Special Use Permit is intended to authorize a variety of direct healthcare services for individual patients but does not authorize inpatient or residential care (e.g., a nursing home). An amendment to the SUP would be required if the scope of services changes in the future.

UTILIZATION

Under Section 205.05.5.G of the Fridley City Code, this Special Use Permit will become null and void one year after Council approval if work has not commenced or if the petitioner has not petitioned the Council for an extension.

Previous Discussion

A Notice of Public Hearing before the Planning Commission was published in the May 9, 2025, edition of the Official Publication.

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

The Planning Commission held a public hearing for SP #25-02 at their May 21, 2025, meeting. After a brief discussion, the Planning Commission recommended approval of the Special Use Permit with the stipulations as presented by staff. The motion carried unanimously.

Financial Impact

No financial impact

Recommendation

Staff recommend the approval of Resolution No. 2025-68, Approving Special Use Permit, SP #25-02 for a Clinic and Repealing Expired Special Use Permit, SP #02-03 for a Daycare, for the Property at 1413 Gardena Ave NE.

Focus on Fridley Strategic Alignment

☒ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☐ Financial Stability & Commercial Prosperity	☐ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Attachments and Other Resources

- Resolution No. 2025-68
- Application Summary
- Public Hearing Notice
- Petitioner's Narrative and Drawings

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-68**Approving Special Use Permit, SP #25-02 for a Clinic and Repealing Expired Special Use Permit, SP #02-03 for a Daycare, for the Property at 1413 Gardena Ave NE (Ward 2)**

Whereas, Section 205.07.01.C.3 of the Fridley City Code allows hospitals, clinics, nursing homes, convalescent homes, and homes for the elderly, in the R-1, One Family Dwelling zoning district by a Special Use Permit; and

Whereas, on May 21, 2025, the Planning Commission held a public hearing to consider a request by Shahid Mian on behalf of the Islamic Center of Minnesota for the property generally located at 1413 Gardena Avenue, legally described as Lot 3, Meloland Gardens, except north 330.6 feet thereof and except east 100 feet thereof subject to easement of record, for Special Use Permit, SP #25-02 to allow a clinic use within the existing building; and

Whereas, under the Special Use Permit the applicant intends to use the facility to provide direct outpatient care to individuals, via by licensed health care providers, which may include primary healthcare, psychiatric care, and dental care and similar outpatient services; and incidental small group educational activities and training with attendance not to exceed the building's fire code capacity, and this special use permit construed to authorizes only the use as specified and deviations from this scope of services will require an amendment to the permit; and

Whereas, at the May 21, 2025, meeting, the Planning Commission unanimously recommended approval of SP #25-02 with the stipulations represented in Exhibit A; and

Whereas, on June 9, 2025, the Fridley City Council approved the stipulations in Exhibit A to this resolution as the conditions on SP #25-02; and

Whereas, the petitioner, Shahid Mian, was presented with Exhibit A, the conditions for SP #25-02 at the June 9, 2025, City Council meeting; and

Whereas, Section 205.05.5.G of the Fridley City Code states that this Special Use Permit will become null and void one year after the City Council approval date if work has not commenced or if the petitioner has not petitioned the City Council for an extension.

Now, therefore be it resolved, that the City Council of the City of Fridley hereby approves SP #25-02 and the stipulations represented in Exhibit A are hereby adopted by the City Council of the City of Fridley;

Be it further resolved, that the City Council of the City of Fridley hereby finds that the use authorized under Special Use Permit, SP #02-03 for a Daycare Center previously approved for the property has lapsed and this authorization is null and void.

Passed and adopted by the City Council of the City of Fridley this 9th day of June 2025.

Dave Ostwald – Mayor

Attest:

Melissa Moore – City Clerk

Exhibit A

Stipulations

1. The petitioner shall obtain any permits required to alter the building for the proposed use.
2. The petitioner shall meet all requirements set forth by:
 - a. The Building code, including the Americans with Disabilities Act (ADA).
 - b. The Fire code.
 - c. The City's Engineering division.
 - d. The City's Planning division, including but not limited to
 - i. ensuring that the use meets the zoning code requirements for parking with at least one-off street parking space for each 150 square feet of building area used for health care services,
 - ii. ensuring that the property complies with the landscaping requirement in place at the time of building permit application, and
 - iii. sign permits are obtained for any new signage.
 - e. The Rice Creek Watershed District.
3. The petitioner shall obtain any required State and/or County licenses to operate the proposed use and provide a copy of that license to the City upon request.
4. Waste shall be managed in accordance with the requirements of the Minnesota Pollution Control Agency and Anoka County. A copy of the current Hazardous Waste Generator License and/or infectious waste management plan for the facility must be provided to the City upon request.
5. An amendment to the Special Use Permit will be required if the property is to be used for purposes other than the following:
 - a. Providing direct outpatient care to individuals, via by licensed health care providers, which may include primary healthcare, psychiatric care, and dental care and similar outpatient services; and incidental small group educational activities and training with attendance not to exceed the building's fire code capacity



LAND USE APPLICATION SUMMARY

Item: SP #25-02

PC Meeting Date: May 21, 2025

General Information

Applicant:

Shahid Mian, Islamic Center of Minnesota,
1403 Gardena Ave NE, Fridley MN

Requested Action:

Public Hearing to Consider a Special Use
Permit, SP #25-02 to allow a clinic at 1413
Gardena Ave NE

Location:

1413 Gardena Ave NE

Existing Zoning:

R-1, One Family Dwelling District

Size:

20,000 sq. ft. 0.46 acres

Existing Land Use:

Single Family Home, unused SUP for Daycare

Surrounding Land Use & Zoning:

N: Islamic Center & R-1

E: Single Family & R-1

S: Totino Grace & R-1

W: Islamic Center & R-1

Comprehensive Plan Conformance:

Existing and Future Land Use Map designates
the property as Single Family

Zoning Ordinance Conformance:

Section 205.07.01.C.3 allows hospitals, clinics,
nursing homes, convalescent homes, homes
for the elderly, independent and assisted living
facilities in an R-1, One Family Dwelling zoning
district.

Special Information

Building and Zoning History:

1920 – Lot platted

Home built before 1949

1954 – Addition to home

1987 – Garage is built

1996 – Addition to home

2003 – Special Use Permit approved for Daycare

Legal Description of Property:

Lot 3, Meloland Gardens, except north 330.6 feet
thereof and except east 100 feet thereof subject
to easement of record

Public Utilities:

Building is connected

Transportation:

The property receives access off Gardena Avenue

Physical Characteristics:

Building, garage, hard surface driveway, and
landscaping

Summary of Request:

The petitioner, Shahid Mian, on behalf of the
Islamic Center of Minnesota, is requesting a
special use permit to allow a clinic within the
existing building at 1413 Gardena Ave N.E.

Staff Recommendation:

City staff recommends approval of the special use
permit, subject to stipulations.

City Council Action/60 Day Action Date:

City Council – June 9, 2025

60 Day Date – Sunday, July 13, 2025

Staff Report Prepared by Nancy Abts

AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)

 **The Minnesota Star Tribune**

650 3rd Ave. S, Suite 1300 | Minneapolis, MN | 55488

Terri Swanson, being first duly sworn, on oath states as follows:

1. (S)He is and during all times herein stated has been an employee of the Star Tribune Media Company LLC, a Delaware limited liability company with offices at 650 Third Ave. S., Suite 1300, Minneapolis, Minnesota 55488, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

<u>Dates of Publication</u>	<u>Advertiser</u>	<u>Account #</u>	<u>Order #</u>
StarTribune 05/09/2025	FRIDLEY CITY OF	1000019971	516143

4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows: **\$53.72**

5. Mortgage Foreclosure Notices. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in Hennepin County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

FURTHER YOUR AFFIANT SAITH NOT.

Terri Swanson

Subscribed and sworn to before me on: 05/09/2025

Diane E. Rak Kleszyk



Notary Public



Fridley Civic Campus

7071 University Avenue N.E. Fridley, MN 55432
763-571-3450 | FAX: 763-571-1287 | FridleyMN.gov

Permit Information:

Permit Type: Special Use Permit
Permit Subtype: Commercial
Permit Number: SP25-000002
Work Description: Al Shifa Clinic Special Use Permit (Islamic Center of Minnesota)

Property Information:

Address: 1413 GARDENA AVE NE
City, State and Zip: FRIDLEY, MN 55432
PIN: 243024120016

Property Owner Information:

Property Owner: ISLAMIC CENTER OF MINNESOTA
Property Owner Address: 1401 GARDENA AVE NE
FRIDLEY, MN 55432

Applicant Information:

Name: Shahid Mian
Address: 1403 Gardena Ave
Fridley, MN 55432
Phone: 7632270382

Application Information:

Is the applicant the property owner? Yes

Payment Information:

Payment Date
4/20/2025

Received From
Shahid Mian

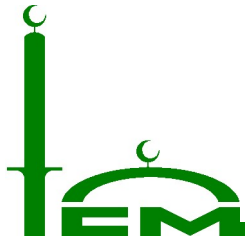
Payment Amount
\$1,500

Signature:



Application Date:

Application Filed Date: 04/18/2025
Application Complete Date: 5/14/2025
60-Day Deadline: 07/13/2025
120-Day Extension: 09/11/2025



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
In the name of Allah, Most Gracious, Most Merciful

المركز الإسلامي بولاية مينيسوتا
Islamic Center of Minnesota

Item 7.

Board of Directors:

Zaheer Baber

President

Javeed Hadi

Vice President

Lubna Anwaar

General Secretary

Shaikha Noor

Treasurer

Mohammed Shikder

Religious Director

Humera Mujir

Education Director

Shireen Kairn

Social Director

Arshad Malik

Communication Director

Faleeha Israr

Women's Society President

City Of Fridley
7071 University Ave NE,
Fridley MN 55432

Reg: Special Use Permit for 1413 Gardena Ave Ne, Fridley MN

To Whom it May Concern

Islamic Center of Minnesota in partnership with Al Shifa Clinic is applying for a Special Use Permit to operate a medical clinic at 1413 Gardena Ave Ne, Fridley MN

Property History:

This property was originally donated to provide daycare for the school and the surrounding community. The daycare is no longer running and no foreseeable need for a daycare in the future.

Future plans:

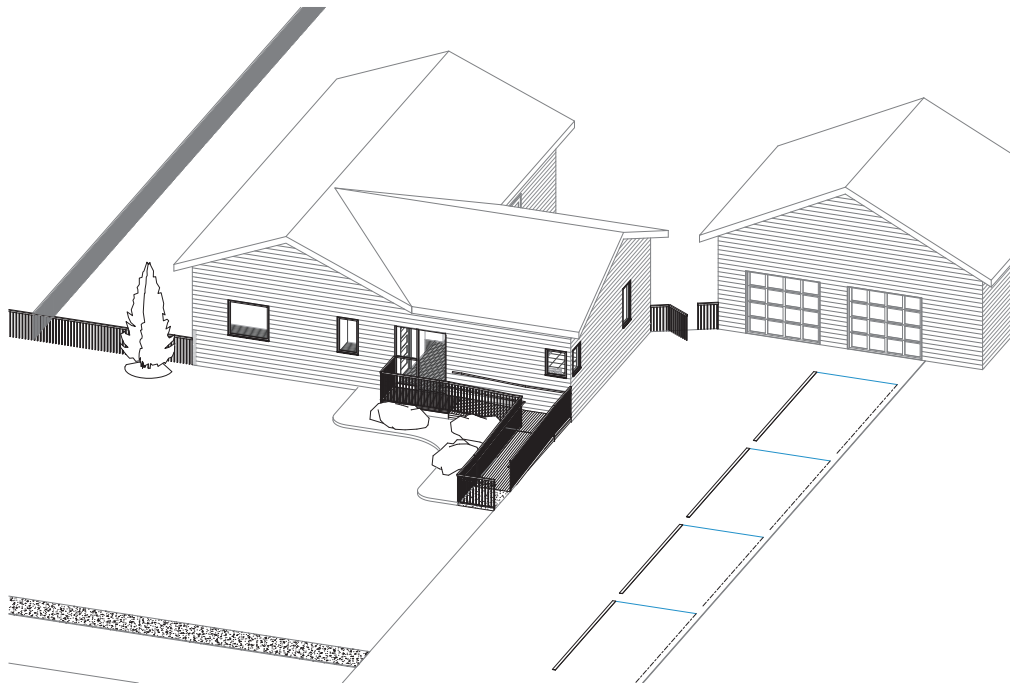
We intend to convert 1413 Gardena Ave to a suitable space for the free clinic. Al Shifa is a free, nonprofit clinic that has operated in the Islamic Center of Minnesota for over 30 years. This clinic is open to the entire community for check-ups, consultations, and referrals.

Thank you,

Javeed Hadi
Vice President

Al Shifa Clinic

1413 Gardena Ave
Fridley, MN 55432



ADG cultivating
healthy
spaces
Architectural Design Group, PLLC

3752 169th Lane NE, Ham Lake, MN 55304
612.225.2568
jon@archdesign.group
archdesign.group

Sheet List

Sheet Number	Sheet Name	Sheet Issue Date	Current Revision Description
A-000	Cover Sheet	2025/0-1/00	Permit Revisions
A-050	Code Sheets	2025/0-1/00	Permit Revisions
A-100	Plans	2025/0-1/00	Permit Drawings

[illegible]

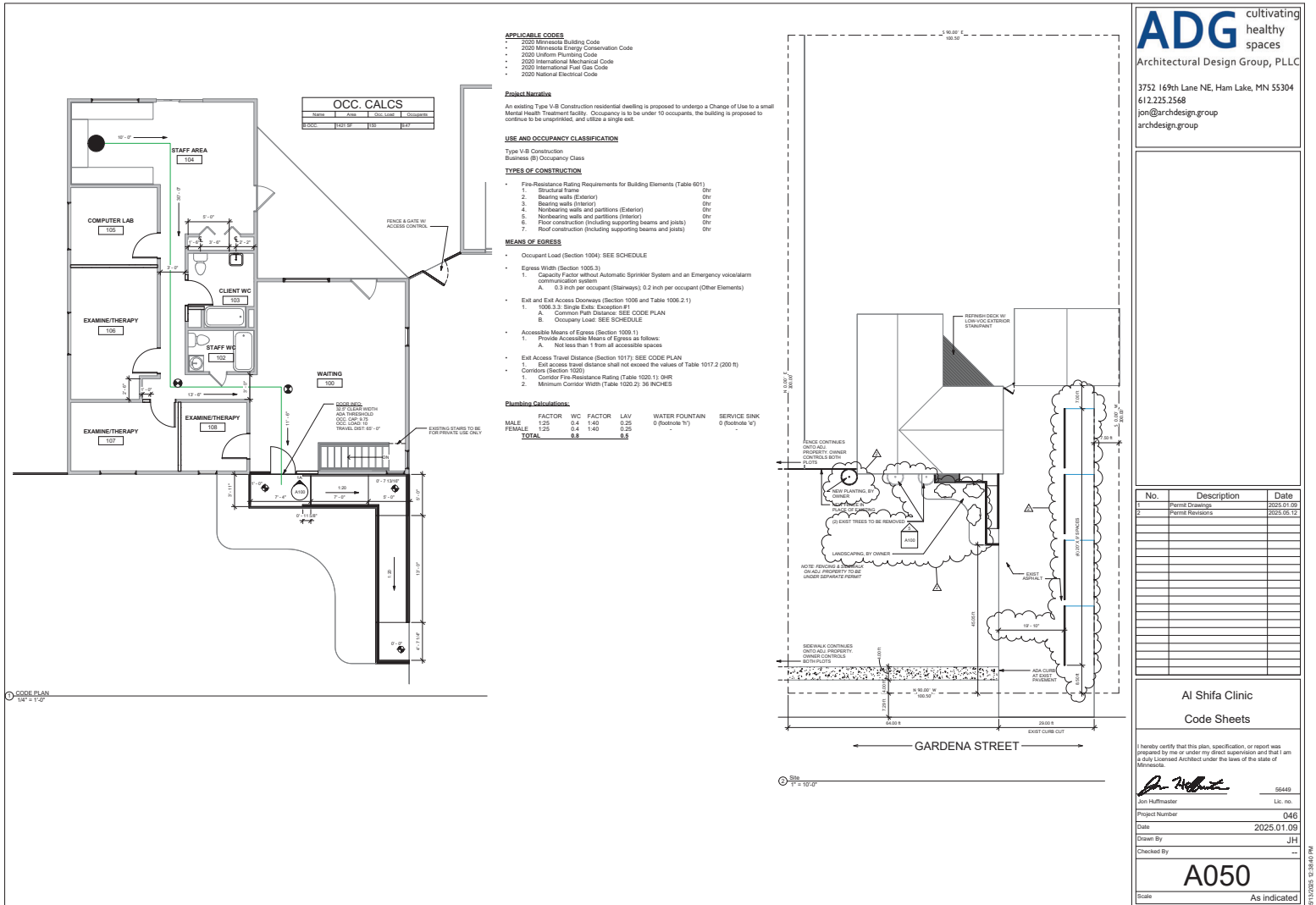
I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the state of Minnesota.


Jon Huffmaster

56449
Lic. no.

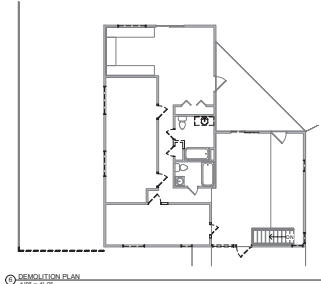
Project Number	046
Date	2025.01.09

0000-0001-9302-9126



Demolition Plan General Notes

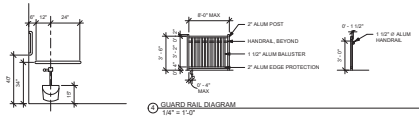
1. DEMOLITION SHALL BE DONE IN ACCORDANCE WITH THE FOLLOWING:
2. ANY ITEM OF A DEMOLISHABLE QUALITY SHALL BE SET ASIDE FOR REUSE BY THE OWNER. ITEMS SHALL BE IDENTIFIED BY THE OWNER.
3. PARTIAL ITEMS, ETC. ARE NOT CONSIDERED AS DEMOLISHABLE.
4. ALL PLUMBING, HVAC, ELECTRICAL, AND/OR FIRE PROTECTION SHALL BE REMOVED IN ACCORDANCE WITH THE FOLLOWING:
5. MAINTAIN A SAFE & DRY WORK AREA.
6. CONSTRUCTION OF DEMOLITION SHALL BE DONE IN ACCORDANCE WITH THE FOLLOWING:
7. AREAS ADJACENT TO THE WORK AREA ARE TO BE PROTECTED FROM DUST & NOISE. CONSIDER WORK AREAS WITH CONES.
8. ALL ITEMS DESIGNATED TO REMAIN ARE TO BE PROTECTED FROM DAMAGE.



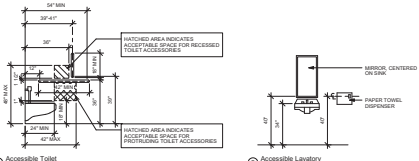
DEMOLITION PLAN
1/8" = 1'-0"



SOUTH ELEVATION
1/8" = 1'-0"



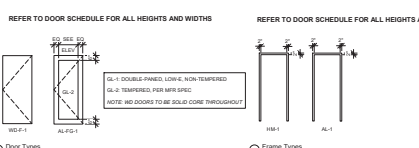
GUARD RAIL DIAGRAM
1/4" = 1'-0"



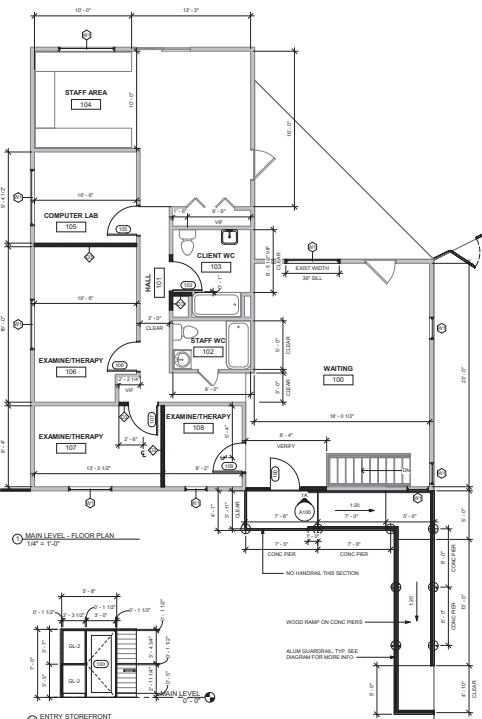
Accessable Toilet
3/8" = 1'-0"

Room	Description	Height	Width	Notes	Comments
101	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
102	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
103	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
104	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
105	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
106	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
107	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
108	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
109	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes
110	Exam Room	8'-0" to 10'-0"	10'-0" to 12'-0"	See Notes	See Notes

Type Mark	Description	Visual Light Transmittance	Solar Heat Gain Coefficient	Comments
WT	Window	0.5	0.5	All WT to match existing opening in height & width. All glazing to be GL-1



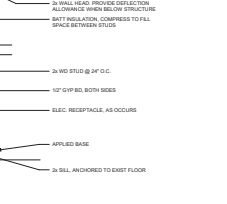
Door Schedule
3/8" = 1'-0"



MAIN FLOOR PLAN
1/4" = 1'-0"



ENTRY STOREFRONT
1/4" = 1'-0"



Door Detail
3/8" = 1'-0"

Project General Notes

1. THESE GENERAL NOTES APPLY TO THE CONSTRUCTION DOCUMENTS AND SHALL GOVERN UNLESS NOTED OTHERWISE BY GENERAL NOTES OR SPECIFICATIONS.
2. CALL LOCAL MUNICIPALITIES TO LOCATE SUBSIDIARY UTILITIES PRIOR TO WORK.
3. PROVIDE DESIGN CONTROL LOGS DURING CONSTRUCTION AND CONSTRUCTION.
4. PROTECT SITE ELEMENTS, MATERIALS, ETC. THAT ARE TO REMAIN FROM DAMAGE DURING THE CONSTRUCTION PROCESS.
5. MAINTAIN ACCESS TO ALL UTILITIES DURING THE CONSTRUCTION PROCESS.
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19. MAINTAIN ACCESS TO ALL UTILITIES DURING THE CONSTRUCTION PROCESS.

Floor Plan General Notes

1. REFER TO DETAILS OF CONSTRUCTION FOR A. ABBREVIATIONS, MATERIAL SYMBOLS, B. ROOM TAGS, C. ROOM TAGS, D. ROOM TAGS, E. ROOM TAGS, F. ROOM TAGS, G. ROOM TAGS, H. ROOM TAGS, I. ROOM TAGS, J. ROOM TAGS, K. ROOM TAGS, L. ROOM TAGS, M. ROOM TAGS, N. ROOM TAGS, O. ROOM TAGS, P. ROOM TAGS, Q. ROOM TAGS, R. ROOM TAGS, S. ROOM TAGS, T. ROOM TAGS, U. ROOM TAGS, V. ROOM TAGS, W. ROOM TAGS, X. ROOM TAGS, Y. ROOM TAGS, Z. ROOM TAGS, AA. ROOM TAGS, AB. ROOM TAGS, AC. ROOM TAGS, AD. ROOM TAGS, AE. ROOM TAGS, AF. ROOM TAGS, AG. ROOM TAGS, AH. ROOM TAGS, AI. ROOM TAGS, AJ. ROOM TAGS, AK. ROOM TAGS, AL. ROOM TAGS, AM. ROOM TAGS, AN. ROOM TAGS, AO. ROOM TAGS, AP. ROOM TAGS, AQ. ROOM TAGS, AR. ROOM TAGS, AS. ROOM TAGS, AT. ROOM TAGS, AU. ROOM TAGS, AV. ROOM TAGS, AW. ROOM TAGS, AX. ROOM TAGS, AY. ROOM TAGS, AZ. ROOM TAGS, BA. ROOM TAGS, BB. ROOM TAGS, BC. ROOM TAGS, BD. ROOM TAGS, BE. ROOM TAGS, BF. ROOM TAGS, BG. ROOM TAGS, BH. ROOM TAGS, BI. ROOM TAGS, BJ. ROOM TAGS, BK. ROOM TAGS, BL. ROOM TAGS, BM. ROOM TAGS, BN. ROOM TAGS, BO. ROOM TAGS, BP. ROOM TAGS, BQ. ROOM TAGS, BR. ROOM TAGS, BS. ROOM TAGS, BT. ROOM TAGS, BU. ROOM TAGS, BV. ROOM TAGS, BW. ROOM TAGS, BX. ROOM TAGS, BY. ROOM TAGS, BZ. ROOM TAGS, CA. ROOM TAGS, CB. ROOM TAGS, CC. ROOM TAGS, CD. ROOM TAGS, CE. ROOM TAGS, CF. ROOM TAGS, CG. ROOM TAGS, CH. ROOM TAGS, CI. ROOM TAGS, CJ. ROOM TAGS, CK. ROOM TAGS, CL. ROOM TAGS, CM. ROOM TAGS, CN. ROOM TAGS, CO. ROOM TAGS, CP. ROOM TAGS, CQ. ROOM TAGS, CR. ROOM TAGS, CS. ROOM TAGS, CT. ROOM TAGS, CU. ROOM TAGS, CV. ROOM TAGS, CW. ROOM TAGS, CX. ROOM TAGS, CY. ROOM TAGS, CZ. ROOM TAGS, DA. ROOM TAGS, DB. ROOM TAGS, DC. ROOM TAGS, DD. ROOM TAGS, DE. ROOM TAGS, DF. ROOM TAGS, DG. ROOM TAGS, DH. ROOM TAGS, DI. ROOM TAGS, DJ. ROOM TAGS, DK. ROOM TAGS, DL. ROOM TAGS, DM. ROOM TAGS, DN. ROOM TAGS, DO. ROOM TAGS, DP. ROOM TAGS, DQ. ROOM TAGS, DR. ROOM TAGS, DS. ROOM TAGS, DT. ROOM TAGS, DU. ROOM TAGS, DV. ROOM TAGS, DW. ROOM TAGS, DX. ROOM TAGS, DY. ROOM TAGS, DZ. ROOM TAGS, EA. ROOM TAGS, EB. ROOM TAGS, EC. ROOM TAGS, ED. ROOM TAGS, EE. ROOM TAGS, EF. ROOM TAGS, EG. ROOM TAGS, EH. ROOM TAGS, EI. ROOM TAGS, EJ. ROOM TAGS, EK. ROOM TAGS, EL. ROOM TAGS, EM. ROOM TAGS, EN. ROOM TAGS, EO. ROOM TAGS, EP. ROOM TAGS, EQ. ROOM TAGS, ER. ROOM TAGS, ES. ROOM TAGS, ET. ROOM TAGS, EU. ROOM TAGS, EV. ROOM TAGS, EW. ROOM TAGS, EX. ROOM TAGS, EY. ROOM TAGS, EZ. ROOM TAGS, FA. ROOM TAGS, FB. ROOM TAGS, FC. ROOM TAGS, FD. ROOM TAGS, FE. ROOM TAGS, FF. ROOM TAGS, FG. ROOM TAGS, FH. ROOM TAGS, FI. ROOM TAGS, FJ. ROOM TAGS, FK. ROOM TAGS, FL. ROOM TAGS, FM. ROOM TAGS, FN. ROOM TAGS, FO. ROOM TAGS, FP. ROOM TAGS, FQ. ROOM TAGS, FR. ROOM TAGS, FS. ROOM TAGS, FT. ROOM TAGS, FU. ROOM TAGS, FV. ROOM TAGS, FW. ROOM TAGS, FX. ROOM TAGS, FY. ROOM TAGS, FZ. ROOM TAGS, GA. ROOM TAGS, GB. ROOM TAGS, GC. ROOM TAGS, GD. ROOM TAGS, GE. ROOM TAGS, GF. ROOM TAGS, GH. ROOM TAGS, GI. ROOM TAGS, GJ. ROOM TAGS, GK. ROOM TAGS, GL. ROOM TAGS, GM. ROOM TAGS, GN. ROOM TAGS, GO. ROOM TAGS, GP. ROOM TAGS, GQ. ROOM TAGS, GR. ROOM TAGS, GS. ROOM TAGS, GT. ROOM TAGS, GU. ROOM TAGS, GV. ROOM TAGS, GW. ROOM TAGS, GX. ROOM TAGS, GY. ROOM TAGS, GZ. ROOM TAGS, HA. ROOM TAGS, HB. ROOM TAGS, HC. ROOM TAGS, HD. ROOM TAGS, HE. ROOM TAGS, HF. ROOM TAGS, HG. ROOM TAGS, HH. ROOM TAGS, HI. ROOM TAGS, HJ. ROOM TAGS, HK. ROOM TAGS, HL. ROOM TAGS, HM. ROOM TAGS, HN. ROOM TAGS, HO. ROOM TAGS, HP. ROOM TAGS, HQ. ROOM TAGS, HR. ROOM TAGS, HS. ROOM TAGS, HT. ROOM TAGS, HU. ROOM TAGS, HV. ROOM TAGS, HW. ROOM TAGS, HX. ROOM TAGS, HY. ROOM TAGS, HZ. ROOM TAGS, IA. ROOM TAGS, IB. ROOM TAGS, IC. ROOM TAGS, ID. ROOM TAGS, IE. ROOM TAGS, IF. ROOM TAGS, IG. ROOM TAGS, IH. ROOM TAGS, II. ROOM TAGS, IJ. ROOM TAGS, IK. ROOM TAGS, IL. ROOM TAGS, IM. ROOM TAGS, IN. ROOM TAGS, IO. ROOM TAGS, IP. ROOM TAGS, IQ. ROOM TAGS, IR. ROOM TAGS, IS. ROOM TAGS, IT. ROOM TAGS, IU. ROOM TAGS, IV. ROOM TAGS, IW. ROOM TAGS, IX. ROOM TAGS, IY. ROOM TAGS, IZ. ROOM TAGS, JA. ROOM TAGS, JB. ROOM TAGS, JC. ROOM TAGS, JD. ROOM TAGS, JE. ROOM TAGS, JF. ROOM TAGS, JG. ROOM TAGS, JH. ROOM TAGS, JI. ROOM TAGS, JJ. ROOM TAGS, JK. ROOM TAGS, JL. ROOM TAGS, JM. ROOM TAGS, JN. ROOM TAGS, JO. ROOM TAGS, JP. ROOM TAGS, JQ. ROOM TAGS, JR. ROOM TAGS, JS. ROOM TAGS, JT. ROOM TAGS, JU. ROOM TAGS, JV. ROOM TAGS, JW. ROOM TAGS, JX. ROOM TAGS, JY. ROOM TAGS, JZ. ROOM TAGS, KA. ROOM TAGS, KB. ROOM TAGS, KC. ROOM TAGS, KD. ROOM TAGS, KE. ROOM TAGS, KF. ROOM TAGS, KG. ROOM TAGS, KH. ROOM TAGS, KI. ROOM TAGS, KJ. ROOM TAGS, KK. ROOM TAGS, KL. ROOM TAGS, KM. ROOM TAGS, KN. ROOM TAGS, KO. ROOM TAGS, KP. ROOM TAGS, KQ. ROOM TAGS, KR. ROOM TAGS, KS. ROOM TAGS, KT. ROOM TAGS, KU. ROOM TAGS, KV. ROOM TAGS, KW. ROOM TAGS, KX. ROOM TAGS, KY. ROOM TAGS, KZ. ROOM TAGS, LA. ROOM TAGS, LB. ROOM TAGS, LC. ROOM TAGS, LD. ROOM TAGS, LE. ROOM TAGS, LF. ROOM TAGS, LG. ROOM TAGS, LH. ROOM TAGS, LI. ROOM TAGS, LJ. ROOM TAGS, LK. ROOM TAGS, LL. ROOM TAGS, LM. ROOM TAGS, LN. ROOM TAGS, LO. ROOM TAGS, LP. ROOM TAGS, LQ. ROOM TAGS, LR. ROOM TAGS, LS. ROOM TAGS, LT. ROOM TAGS, LU. ROOM TAGS, LV. ROOM TAGS, LW. ROOM TAGS, LX. ROOM TAGS, LY. ROOM TAGS, LZ. ROOM TAGS, MA. ROOM TAGS, MB. ROOM TAGS, MC. ROOM TAGS, MD. ROOM TAGS, ME. ROOM TAGS, MF. ROOM TAGS, MG. ROOM TAGS, MH. ROOM TAGS, MI. ROOM TAGS, MJ. ROOM TAGS, MK. ROOM TAGS, ML. ROOM TAGS, MM. ROOM TAGS, MN. ROOM TAGS, MO. ROOM TAGS, MP. ROOM TAGS, MQ. ROOM TAGS, MR. ROOM TAGS, MS. ROOM TAGS, MT. ROOM TAGS, MU. ROOM TAGS, MV. ROOM TAGS, MW. ROOM TAGS, MX. ROOM TAGS, MY. ROOM TAGS, MZ. ROOM TAGS, NA. ROOM TAGS, NB. ROOM TAGS, NC. ROOM TAGS, ND. ROOM TAGS, NE. ROOM TAGS, NF. ROOM TAGS, NG. ROOM TAGS, NH. ROOM TAGS, NI. ROOM TAGS, NJ. ROOM TAGS, NK. ROOM TAGS, NL. ROOM TAGS, NM. ROOM TAGS, NN. ROOM TAGS, NO. ROOM TAGS, NP. ROOM TAGS, NQ. ROOM TAGS, NR. ROOM TAGS, NS. ROOM TAGS, NT. ROOM TAGS, NU. ROOM TAGS, NV. ROOM TAGS, NW. ROOM TAGS, NX. ROOM TAGS, NY. ROOM TAGS, NZ. ROOM TAGS, OA. ROOM TAGS, OB. ROOM TAGS, OC. ROOM TAGS, OD. ROOM TAGS, OE. ROOM TAGS, OF. 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ROOM TAGS, QU. ROOM TAGS, QV. ROOM TAGS, QW. ROOM TAGS, QX. ROOM TAGS, QY. ROOM TAGS, QZ. ROOM TAGS, RA. ROOM TAGS, RB. ROOM TAGS, RC. ROOM TAGS, RD. ROOM TAGS, RE. ROOM TAGS, RF. ROOM TAGS, RG. ROOM TAGS, RH. ROOM TAGS, RI. ROOM TAGS, RJ. ROOM TAGS, RK. ROOM TAGS, RL. ROOM TAGS, RM. ROOM TAGS, RN. ROOM TAGS, RO. ROOM TAGS, RP. ROOM TAGS, RQ. ROOM TAGS, RR. ROOM TAGS, RS. ROOM TAGS, RT. ROOM TAGS, RU. ROOM TAGS, RV. ROOM TAGS, RW. ROOM TAGS, RX. ROOM TAGS, RY. ROOM TAGS, RZ. ROOM TAGS, SA. ROOM TAGS, SB. ROOM TAGS, SC. ROOM TAGS, SD. ROOM TAGS, SE. ROOM TAGS, SF. ROOM TAGS, SG. ROOM TAGS, SH. ROOM TAGS, SI. ROOM TAGS, SJ. ROOM TAGS, SK. ROOM TAGS, SL. ROOM TAGS, SM. ROOM TAGS, SN. ROOM TAGS, SO. ROOM TAGS, SP. ROOM TAGS, SQ. ROOM TAGS, SR. ROOM TAGS, SS. ROOM TAGS, ST. ROOM TAGS, SU. ROOM TAGS, SV. ROOM TAGS, SW. ROOM TAGS, SX. ROOM TAGS, SY. ROOM TAGS, SZ. ROOM TAGS, TA. ROOM TAGS, TB. ROOM TAGS, TC. ROOM TAGS, TD. ROOM TAGS, TE. ROOM TAGS, TF. ROOM TAGS, TG. ROOM TAGS, TH. 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Room	Name	Area	Comments
101	Exam Room	150 SF	See Notes
102	Exam Room	150 SF	See Notes
103	Exam Room	150 SF	See Notes
104	Exam Room	150 SF	See Notes
105	Exam Room	150 SF	See Notes
106	Exam Room	150 SF	See Notes
107	Exam Room	150 SF	See Notes
108	Exam Room	150 SF	See Notes
109	Exam Room	150 SF	See Notes
110	Exam Room	150 SF	See Notes

1. COMMENTS:
2. EXISTING FINISHES TO REMAIN.
3. NEW FINISHES TO MATCH EXISTING.
4. PROVIDE AND TRANSMITTED LIGHT AS REQUIRED.
5. ALL PARTS & FINISHES TO BE APPROXIMATELY 100% CONFORMING.

Room Schedule

Room	Name	Area	Comments
101	Exam Room	150 SF	See Notes
102	Exam Room	150 SF	See Notes
103	Exam Room	150 SF	See Notes
104	Exam Room	150 SF	See Notes
105	Exam Room	150 SF	See Notes
106	Exam Room	150 SF	See Notes
107	Exam Room	150 SF	See Notes
108	Exam Room	150 SF	See Notes
109	Exam Room	150 SF	See Notes
110	Exam Room	150 SF	See Notes

ADG cultivating healthy spaces
Architectural Design Group, PLLC
3752 169th Lane NE, Ham Lake, MN 55304
612.225.2568
jon@archdesigngroup.com
archdesigngroup

No.	Description	Date
1	Permit Drawings	2025.01.09

Al Shifa Clinic Plans

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the state of Minnesota.

John Hoffmeister
Project Number: 046
Date: 2025.01.09
Drawn By: JH
Checked By: JH
Scale: As Indicated



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Anna Smieja, Accounting Technician, Accounts Payable

Title

Resolution No. 2025-69, Approving Claims for the Period Ending June 4, 2025

Background

Attached is Resolution No. 2025-69 and the claims report for the period ending June 4, 2025.

Financial Impact

Included in the budget.

Recommendation

Staff recommend the approval of Resolution No. 2025-69, Approving Claims for the Period Ending June 4, 2025.

Focus on Fridley Strategic Alignment

☐ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☒ Financial Stability & Commercial Prosperity	☐ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Attachments and Other Resources

- Resolution No. 2025-69
- City Council Claims Report

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-69

Approving Claims for the Period Ending June 4, 2025

Whereas, Minnesota Statute § 412.271 generally requires the City Council to review and approve claims for goods and services prior to the release of payment; and

Whereas, a list of such claims for the period ending June 4, 2025, was reviewed by the City Council.

Now, therefore be it resolved, that the City Council of the City of Fridley hereby approves the payment of the claims as presented.

Passed and adopted by the City Council of the City of Fridley this 9th day of June, 2025.

Dave Ostwald- Mayor

Attest:

Melissa Moore – City Clerk



City of Fridley, MN

Item 8.

Bank Transaction Report

Transaction Detail

Issued Date Range: 05/22/2025 - 06/04/2025

Cleared Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
Bank Draft							
05/23/2025		DFT0005604	EMPOWER RETIREMENT (for MN/MSRS)	Accounts Payable	Outstanding	Bank Draft	\$ (996.15)
05/23/2025		DFT0005605	EMPOWER RETIREMENT (for MN/MSRS)	Accounts Payable	Outstanding	Bank Draft	\$ (3,152.22)
05/23/2025		DFT0005606	CITY OF FRIDLEY-MISSION SQUARE-457 Def.Comp	Accounts Payable	Outstanding	Bank Draft	\$ (22,753.26)
05/23/2025		DFT0005607	CITY OF FRIDLEY-MISSION SQUARE-457 Def.Comp	Accounts Payable	Outstanding	Bank Draft	\$ (4,232.92)
05/23/2025		DFT0005609	CITY OF FRIDLEY-MISSION SQUARE RHS Retiree Health Se	Accounts Payable	Outstanding	Bank Draft	\$ (397.20)
05/23/2025		DFT0005611	OPTUM BANK (HSA)	Accounts Payable	Outstanding	Bank Draft	\$ (5,198.64)
05/23/2025		DFT0005612	OPTUM BANK (HSA)	Accounts Payable	Outstanding	Bank Draft	\$ (2,960.66)
05/23/2025		DFT0005613	PERA - PUBLIC EMPLOYEES	Accounts Payable	Outstanding	Bank Draft	\$ (48,660.61)
05/23/2025		DFT0005614	PERA - PUBLIC EMPLOYEES	Accounts Payable	Outstanding	Bank Draft	\$ (164.46)
05/23/2025		DFT0005615	PERA - PUBLIC EMPLOYEES	Accounts Payable	Outstanding	Bank Draft	\$ (70,749.73)
05/23/2025		DFT0005616	CITY OF FRIDLEY-MISSION SQUARE RHS Retiree Health Se	Accounts Payable	Outstanding	Bank Draft	\$ (150.00)
05/23/2025		DFT0005617	CITY OF FRIDLEY-MISSION SQUARE RHS Retiree Health Se	Accounts Payable	Outstanding	Bank Draft	\$ (2,475.00)
05/23/2025		DFT0005618	CITY OF FRIDLEY-MISSION SQUARE RHS Retiree Health Se	Accounts Payable	Outstanding	Bank Draft	\$ (600.00)
05/23/2025		DFT0005619	CITY OF FRIDLEY-MISSION SQUARE Roth IRA	Accounts Payable	Outstanding	Bank Draft	\$ (7,111.03)
05/23/2025		DFT0005620	BENEFIT RESOURCE LLC - BPA/VEBA	Accounts Payable	Outstanding	Bank Draft	\$ (800.00)
05/23/2025		DFT0005621	INTERNAL REVENUE SERVICE - PAYROLL TAXES	Accounts Payable	Outstanding	Bank Draft	\$ (48,135.42)
05/23/2025		DFT0005622	INTERNAL REVENUE SERVICE - PAYROLL TAXES	Accounts Payable	Outstanding	Bank Draft	\$ (18,111.54)
05/23/2025		DFT0005623	MINN DEPT OF REVENUE - PAYROLL TAX	Accounts Payable	Outstanding	Bank Draft	\$ (26,885.66)
05/23/2025		DFT0005624	INTERNAL REVENUE SERVICE - PAYROLL TAXES	Accounts Payable	Outstanding	Bank Draft	\$ (58,848.89)
06/02/2025		DFT0005625	SVAP II FRIDLEY MARKET LLC	Accounts Payable	Outstanding	Bank Draft	\$ (10,725.97)
06/02/2025		DFT0005631	HEALTH PARTNERS	Accounts Payable	Outstanding	Bank Draft	\$ (6,723.16)
Bank Draft Total: (21)							\$ (339,832.52)
Check							
05/23/2025			MINN CHILD SUPPORT PAYMENT CENTER	Accounts Payable	Outstanding	Check	\$ (327.27)
05/27/2025			ALLENS PERFECT PAINTING	Accounts Payable	Outstanding	Check	\$ (4,859.00)
05/28/2025			ANOKA COUNTY TREASURY OFFICE	Accounts Payable	Outstanding	Check	\$ (158,482.52)
05/28/2025			ASPEN MILLS INC	Accounts Payable	Outstanding	Check	\$ (328.82)
05/28/2025			BOLTON & MENK INC	Accounts Payable	Outstanding	Check	\$ (5,765.00)
05/28/2025			BRICK INC	Accounts Payable	Outstanding	Check	\$ (780.00)
05/28/2025			CENTERPOINT ENERGY-MINNEGASCO	Accounts Payable	Outstanding	Check	\$ (59.76)
05/28/2025			COMCAST/XFINITY	Accounts Payable	Outstanding	Check	\$ (933.42)
05/28/2025			COMPASS MINERALS	Accounts Payable	Outstanding	Check	\$ (7,251.25)
05/28/2025			EMERGENCY AUTOMOTIVE TECHNOLOGIES	Accounts Payable	Outstanding	Check	\$ (1,609.14)
05/28/2025			ESS BROTHERS & SONS INC	Accounts Payable	Outstanding	Check	\$ (504.00)

Issued Date	Cleared Date	Description	Module	Status	Type	Amount
05/28/2025		FAARAH, ZAK	Accounts Payable	Outstanding	Check	\$ (138.60)
05/28/2025		FAUL PSYCHOLOGICAL PLLC	Accounts Payable	Outstanding	Check	\$ (3,325.00)
05/28/2025		FLEET PRIDE TRUCK & TRAILER PARTS	Accounts Payable	Outstanding	Check	\$ (158.26)
05/28/2025		FOUR ACE PRODUCTIONS % BRIAN RICHARDS	Accounts Payable	Outstanding	Check	\$ (325.00)
05/28/2025		HENNEPIN TECHNICAL COLLEGE	Accounts Payable	Outstanding	Check	\$ (10,975.55)
05/28/2025		INDELCO PLASTICS CORPORATION	Accounts Payable	Outstanding	Check	\$ (124.69)
05/28/2025		INTERSTATE ALL BATTERY CENTER	Accounts Payable	Outstanding	Check	\$ (2,171.85)
05/28/2025		KIMLEY-HORN & ASSOCIATES INC	Accounts Payable	Outstanding	Check	\$ (130,074.75)
05/28/2025		LANGUAGE LINE SERVICES INC	Accounts Payable	Outstanding	Check	\$ (273.00)
05/28/2025		MAXWELL, REBECCA	Accounts Payable	Outstanding	Check	\$ (35.00)
05/28/2025		MINN CLERKS & FINANCE OFFICERS ASSC (MCFOA)	Accounts Payable	Outstanding	Check	\$ (125.00)
05/28/2025		MINN HWY SAFETY/RESEARCH-MHSRC	Accounts Payable	Outstanding	Check	\$ (525.00)
05/28/2025		NORTHSTAR SEARCH & RESCUE	Accounts Payable	Outstanding	Check	\$ (300.00)
05/28/2025		PETERSON COMPANIES INC	Accounts Payable	Outstanding	Check	\$ (154,467.04)
05/28/2025		RECYCLE TECHNOLOGIES INC	Accounts Payable	Outstanding	Check	\$ (7,581.50)
05/28/2025		SCHMIDT, NICHOLAS	Accounts Payable	Outstanding	Check	\$ (149.59)
05/28/2025		SHRED RIGHT	Accounts Payable	Outstanding	Check	\$ (62.65)
05/28/2025		TRI-COUNTY LAW ENFORCEMENT ASSOC	Accounts Payable	Outstanding	Check	\$ (90.00)
05/28/2025		TWIN CITY ACOUSTICS INC	Accounts Payable	Outstanding	Check	\$ (4,437.50)
05/28/2025		VESSCO INC	Accounts Payable	Outstanding	Check	\$ (3,190.82)
05/28/2025		XCEL ENERGY	Accounts Payable	Outstanding	Check	\$ (17,418.89)
06/04/2025		AMERICAN SOLUTIONS FOR BUSINESS	Accounts Payable	Outstanding	Check	\$ (28.21)
06/04/2025		AMYS CLASSIC CONFECTIONS DBA FLAMINGOS	Accounts Payable	Outstanding	Check	\$ (100.00)
06/04/2025		ANDERSON, GREG	Accounts Payable	Outstanding	Check	\$ (81.08)
06/04/2025		ANDERSON, MATT	Accounts Payable	Outstanding	Check	\$ (100.00)
06/04/2025		ANOKA COUNTY PROP RECORDS/TAXATION	Accounts Payable	Outstanding	Check	\$ (1,046.00)
06/04/2025		ANOKA COUNTY TREASURY OFFICE	Accounts Payable	Outstanding	Check	\$ (33.00)
06/04/2025		ANOKA IND GRAIN & FEED DEALERS	Accounts Payable	Outstanding	Check	\$ (151.62)
06/04/2025		APPLE FORD WHITE BEAR LAKE	Accounts Payable	Outstanding	Check	\$ (1,291.01)
06/04/2025		ASPEN MILLS INC	Accounts Payable	Outstanding	Check	\$ (330.29)
06/04/2025		ASSOC OF MINNESOTA COUNTIES-MCCFMA	Accounts Payable	Outstanding	Check	\$ (30.00)
06/04/2025		AUTOMATIC SYSTEMS CO INC	Accounts Payable	Outstanding	Check	\$ (577.50)
06/04/2025		BALD EAGLE SPORTSMEN'S ASSN	Accounts Payable	Outstanding	Check	\$ (150.00)
06/04/2025		BEISSWENGER'S HARDWARE	Accounts Payable	Outstanding	Check	\$ (258.46)
06/04/2025		BOLTON & MENK INC	Accounts Payable	Outstanding	Check	\$ (3,738.50)
06/04/2025		BRIGHTWOOD HILLS GOLF COURSE	Accounts Payable	Outstanding	Check	\$ (888.00)
06/04/2025		BRYAN ROCK PRODUCTS INC	Accounts Payable	Outstanding	Check	\$ (3,341.96)
06/04/2025		CARR'S TREE SERVICE INC	Accounts Payable	Outstanding	Check	\$ (50,311.05)
06/04/2025		CENTRAL TURF & IRRIGATION SUPPLY	Accounts Payable	Outstanding	Check	\$ (543.68)
06/04/2025		CENTRAL WOOD PRODUCTS / RIVARD CO INC	Accounts Payable	Outstanding	Check	\$ (3,883.80)
06/04/2025		CERES ENVIRONMENTAL INC	Accounts Payable	Outstanding	Check	\$ (570.00)
06/04/2025		COMCAST/XFINITY	Accounts Payable	Outstanding	Check	\$ (1,979.99)
06/04/2025		CULLIGAN	Accounts Payable	Outstanding	Check	\$ (126.45)

Issued Date	Cleared Date	Description	Module	Status	Type	Amount
06/04/2025		CUSTOM GRAPHIX	Accounts Payable	Outstanding	Check	\$ (87.00)
06/04/2025		DAVEY RESOURCE GROUP INC	Accounts Payable	Outstanding	Check	\$ (462.95)
06/04/2025		DEANS HOME SERVICES	Accounts Payable	Outstanding	Check	\$ (72.80)
06/04/2025		EG RUD AND SONS INC	Accounts Payable	Outstanding	Check	\$ (1,766.00)
06/04/2025		FERGUSON WATERWORKS #2518	Accounts Payable	Outstanding	Check	\$ (888.54)
06/04/2025		FISH WINDOW CLEANING	Accounts Payable	Outstanding	Check	\$ (90.00)
06/04/2025		FLEET PRIDE TRUCK & TRAILER PARTS	Accounts Payable	Outstanding	Check	\$ (169.01)
06/04/2025		FLUID INTERIORS LLC	Accounts Payable	Outstanding	Check	\$ (462.19)
06/04/2025		FRIDLEY POLICE ASSOCIATION	Accounts Payable	Outstanding	Check	\$ (32.96)
06/04/2025		GERTENS GREENHOUSE INC	Accounts Payable	Outstanding	Check	\$ (242.55)
06/04/2025		HAWKINS INC	Accounts Payable	Outstanding	Check	\$ (1,907.30)
06/04/2025		HEIN, DANIEL	Accounts Payable	Outstanding	Check	\$ (100.00)
06/04/2025		HERRICK, DANIELLE	Accounts Payable	Outstanding	Check	\$ (165.00)
06/04/2025		HOFFMAN BROS. SOD	Accounts Payable	Outstanding	Check	\$ (106.00)
06/04/2025		INDELCO PLASTICS CORPORATION	Accounts Payable	Outstanding	Check	\$ (124.69)
06/04/2025		JENSEN, SOPHIA	Accounts Payable	Outstanding	Check	\$ (100.00)
06/04/2025		KARSTEN, MYA	Accounts Payable	Outstanding	Check	\$ (99.99)
06/04/2025		KENNEDY & GRAVEN CHARTERED	Accounts Payable	Outstanding	Check	\$ (5,944.95)
06/04/2025		LAKE RESTORATION INC	Accounts Payable	Outstanding	Check	\$ (362.00)
06/04/2025		LEAGUE OF MINNESOTA CITIES	Accounts Payable	Outstanding	Check	\$ (60.00)
06/04/2025		LOFFLER COMPANIES-131511	Accounts Payable	Outstanding	Check	\$ (326.19)
06/04/2025		MAC QUEEN	Accounts Payable	Outstanding	Check	\$ (219.32)
06/04/2025		MENARDS - FRIDLEY	Accounts Payable	Outstanding	Check	\$ (441.87)
06/04/2025		MESSER, WALTER	Accounts Payable	Outstanding	Check	\$ (2,166.11)
06/04/2025		METRO PRODUCTS INC	Accounts Payable	Outstanding	Check	\$ (8.60)
06/04/2025		MIDWEST MACHINERY/MINNESOTA AG POWER INC	Accounts Payable	Outstanding	Check	\$ (347.69)
06/04/2025		MIDWEST TESTING	Accounts Payable	Outstanding	Check	\$ (100.00)
06/04/2025		MINN DEPT OF HEALTH	Accounts Payable	Outstanding	Check	\$ (20,513.00)
06/04/2025		MINN HWY SAFETY/RESEARCH-MHSRC	Accounts Payable	Outstanding	Check	\$ (525.00)
06/04/2025		MINN IT	Accounts Payable	Outstanding	Check	\$ (814.63)
06/04/2025		NELSON CHEESE & DELI	Accounts Payable	Outstanding	Check	\$ (193.35)
06/04/2025		NFP INSURANCE SERVICES INC	Accounts Payable	Outstanding	Check	\$ (660.00)
06/04/2025		NOREGON SYSTEMS LLC	Accounts Payable	Outstanding	Check	\$ (1,117.49)
06/04/2025		NORTHERN TOOL & EQUIPMENT	Accounts Payable	Outstanding	Check	\$ (78.51)
06/04/2025		NOVA FIRE PROTECTION INC	Accounts Payable	Outstanding	Check	\$ (4,250.83)
06/04/2025		OUVERSON SEWER & WATER	Accounts Payable	Outstanding	Check	\$ (11,200.00)
06/04/2025		PLATINUM POWER WASHING INC	Accounts Payable	Outstanding	Check	\$ (663.97)
06/04/2025		PYE-BARKER / NARDINI FIRE	Accounts Payable	Outstanding	Check	\$ (1,691.00)
06/04/2025		QUALITY FLOW SYSTEMS LLC	Accounts Payable	Outstanding	Check	\$ (3,429.20)
06/04/2025		RAILROAD MANAGEMENT COMPANY LLC	Accounts Payable	Outstanding	Check	\$ (417.05)
06/04/2025		REHBEINS BLACK DIRT	Accounts Payable	Outstanding	Check	\$ (1,347.00)
06/04/2025		RESPEC	Accounts Payable	Outstanding	Check	\$ (6,425.00)
06/04/2025		SHORT ELLIOTT HENDRICKSON INC	Accounts Payable	Outstanding	Check	\$ (377.36)

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
06/04/2025			SITEONE LANDSCAPE SUPPLY	Accounts Payable	Outstanding	Check	\$ (210.00)
06/04/2025			ST PAUL, CITY OF	Accounts Payable	Outstanding	Check	\$ (315.04)
06/04/2025			TAHO SPORTSWEAR	Accounts Payable	Outstanding	Check	\$ (334.80)
06/04/2025			T-MOBILE	Accounts Payable	Outstanding	Check	\$ (50.00)
06/04/2025			TRI-STATE BOBCAT INC	Accounts Payable	Outstanding	Check	\$ (489.90)
06/04/2025			VERTEX UNMANNED SOLUTIONS	Accounts Payable	Outstanding	Check	\$ (19,783.00)
06/04/2025			VESTIS	Accounts Payable	Outstanding	Check	\$ (980.99)
06/04/2025			XCEL ENERGY	Accounts Payable	Outstanding	Check	\$ (16,843.07)
06/04/2025			ZIEGLER INC	Accounts Payable	Outstanding	Check	-1786.64
Check Total: (107)							\$ (697,761.01)
Check Reversal							
05/27/2025			ALLENS PERFECT PAINTING Reversal	Accounts Payable	Outstanding	Check Reversal	\$ 2,311.00
05/27/2025			ALLENS PERFECT PAINTING Reversal	Accounts Payable	Outstanding	Check Reversal	\$ 2,548.00
Check Reversal Total: (2)							\$ 4,859.00
EFT							
05/23/2025		995	FRIDLEY POLICE ASSOCIATION-PY only	Accounts Payable	Outstanding	EFT	\$ (204.00)
05/23/2025		996	FRIDLEY-IAFF DUES/INTL ASSOC/FIRE FIGHTERS	Accounts Payable	Outstanding	EFT	\$ (120.00)
05/23/2025		EFT0000246	Payroll EFT	Payroll	Outstanding	EFT	\$ (412,082.84)
EFT Total: (3)							\$ (412,406.84)
Report Total: (133)							\$ (1,445,141.37)

Summary

Bank Account	Count	Amount
0000100479 City of Fridley	133	\$ (1,445,141.37)
Report Total:	133	\$ (1,445,141.37)

Cash Account	Count	Amount
No Cash Account	1	\$ -
999 999-101100 Cash in Bank - CITY Pooled Cash	132	\$ (1,445,141.37)
Report Total:	133	\$ (1,445,141.37)

Transaction Type	Count	Amount
Bank Draft	21	\$ (339,832.52)
Check	107	\$ (697,761.01)
Check Reversal	2	\$ 4,859.00
EFT	3	\$ (412,406.84)
Report Total:	133	\$ (1,445,141.37)



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Joe Starks, Finance Director/City Treasurer
Korrie Johnson, Assistant Finance Director

Title

Resolution No. 2025-70, Approving and Accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending December 31, 2024

Background

Pursuant to Minnesota Statute § 471.697 and City Charter § 7.11, the City Manager must submit to the City Council and the Office of the State Auditor (OSA) a complete financial report for the City of Fridley (City) for the preceding fiscal year. In order to satisfy these requirements, the City prepares the Annual Comprehensive Financial Report (ACFR) (Exhibit A) with the assistance of an external auditing firm, Redpath and Company (Redpath).

Consistent with these accounting regulations, Redpath audited the financial activities and statements of the City, which included a two-week, hybrid site visit in April. As a result of this process, Redpath issued an unmodified or “clean” audit opinion, indicating the financial statements of the City are fairly presented and free of any material misstatement in accordance with Generally Accepted Accounting Principles (GAAP).

Redpath also reviewed other financial management practices of the City, such as contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. During this review, Redpath did not identify any areas of non-compliance. The attached Audit Management Letter (AML) summarizes their audit results (Exhibit B).

Assuming the City Council approves and accepts the attached reports, staff will submit the ACFR to the OSA and publish a corresponding summary in the official publication as required by the City Charter. These documents will also be on file and available for public inspection in the City Clerk’s Office or accessible from the City’s website at: FridleyMN.gov/CityFinancials.

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Financial Impact

None.

Recommendation

Staff recommend the approval of Resolution No. 2025-70, Approving and Accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending December 31, 2024.

Focus on Fridley Strategic Alignment

☐ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☒ Financial Stability & Commercial Prosperity	☐ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Attachments and Other Resources

- Resolution No. 2025-70
- Exhibit A: Annual Comprehensive Financial Report for the Fiscal Year Ending December 31, 2024
- Exhibit B: Audit Management Letter
- Exhibit C: Internal Control Report
- Exhibit D: Legal Compliance Report

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-70

Approving and Accepting the Annual Comprehensive Financial Report for the Fiscal Year Ending December 31, 2024

Whereas, Minnesota Statute § 471.697 and City Charter § 7.11 require the City Manager to submit to the City Council and other parties a complete financial report for the City of Fridley (City) for the preceding fiscal year; and

Whereas, the City engaged the Redpath and Company to audit the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund and aggregate remaining fund information of the City for the fiscal year ending December 31, 2024; and

Whereas, Redpath and Company conducted a site visit between April 21, 2025, and May 2, 2025, to complete the majority of the auditing process for the fiscal year ending December 31, 2024; and

Whereas, as a result of this process, Redpath and Company issued an unmodified or “clean” audit opinion, indicating the financial statements of the City are fairly presented and free on any material misstatement in accordance with Generally Accepted Accounting Principles (GAAP).

Therefore, be it resolved, that the City Council of the City of Fridley hereby approves and accepts the Comprehensive Annual Finance Report for the fiscal year ending December 31, 2024.

Passed and adopted by the City Council of the City of Fridley this 9th day of June, 2025.

Dave Ostwald – Mayor

Attest:

Melissa Moore – City Clerk



City of Fridley, Minnesota



Annual Comprehensive Financial Report For year end December 31, 2024

FridleyMN.gov/233/City-Financials



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CITY OF FRIDLEY, MINNESOTA

Annual Comprehensive Financial Report

For Year End December 31, 2024



**Prepared by:
Finance Department**

**Joseph Starks
Finance Director**



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CITY OF FRIDLEY, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2024
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I. INTRODUCTORY SECTION



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Fridley Civic Campus

7071 University Ave N.E. Fridley, MN 55432
763-571-3450 | FAX: 763-571-1287 | FridleyMN.gov

June 2, 2025

To the Citizens of the City of Fridley,
Mayor and Council Members

The Annual Comprehensive Financial Report (ACFR) of the City of Fridley, Minnesota (City), for the fiscal year ended December 31, 2024, is submitted herewith:

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City believes that the data, as presented, is accurate in all material aspects. The data is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A may be found immediately following the report of the independent auditors.

All City funds, departments, commissions, and other organizations for which the City is financially accountable are presented within the ACFR. The City provides a full range of services to its citizens, including police and fire protection; water and sanitary sewer utilities; the construction and maintenance of streets and sidewalks; recreational facilities; commercial and residential real estate development coordination; and general administrative services. The Housing and Redevelopment Authority (HRA) is included in the reporting entity as a component unit of the City as the governing board is appointed by the City Council and because of the City's financial relationship with the HRA.

CITY OF FRIDLEY, MINNESOTA

The organization, form and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the Minnesota Office of the State Auditor, the City Charter, the Fridley City Code and other applicable actions of the City Council.

PROFILE OF THE CITY

The City is a first-ring suburban community with a population of 30,156, according to the current census estimate. The City is located 10 minutes north of downtown Minneapolis and 25 minutes northwest of downtown St. Paul. Incorporated in July of 1949, the City covers about 11 square miles and is home to some of the most important industries in the world. An "industrial spine" around the rail corridor has served the City well and has provided the community with nearly as many jobs as the number of residents. The City is home to the largest number of employees in Anoka County.

LOCAL ECONOMY

The local economy continues to grow through an increase in new construction, redevelopment, and renovation. Unemployment in Minnesota rose slightly throughout 2024. Current unemployment as of February 2025 is still near historic lows at 3.0% and is lower than the national average of 4.0%. In 2024, job growth rose at a steady pace as Minnesota employers added nearly 37,500 jobs totaling just over 3 million jobs by year-end. The Consumer Price Index (CPI) has steadily declined from a multi-decade high of 9.1% in June of 2022 to the current CPI of 2.4% as of March 2025, the lowest rate since March 2021. While there is optimism, inflation continues to be a worry for many as the cost of life's necessities continues to be impactful, and recent data from the Federal Reserve shows the ongoing process to tame inflation may not be over.

Based on preliminary data received from the Minnesota Department of Revenue for January 2nd, 2025, assessment (unaudited), the estimated market value of real property in Fridley decreased in 2024, by about \$92,257,900, or 2.1%, compared to the prior year. The number of residential home sales decreased by 3.3% over the same time period, largely due to continuing high interest rates and a low inventory of homes for sale. However, the City experienced a rebound in new development, adding \$33,291,600 in

CITY OF FRIDLEY, MINNESOTA

new market value. A significant portion of this new market value was the near-completion of the Roers apartment complex at the old Moon Plaza site.

The estimated market value for residential homesteads increased 2.79%, and non-homestead residential estimated market values declined by 6.29% with most of the lost value in the apartment class. Commercial and Industrial properties also declined by 8.35% when comparing estimated market value Roll 2024 vs. Roll 2025. High interest rates are the primary influence behind the declines in value.

LONG-TERM FINANCIAL PLANNING

As a fully developed community, the City continues to experience certain financial challenges. In order to maintain affordable housing and the corresponding tax base, the City must help protect its aging housing stock. The City also works diligently, through the budget process, to develop financial plans that emphasize reasonable tax rates, consistent service delivery, infrastructure investments, and good standing within the broader financial and local government community.

The City continues to focus on quality-of-life improvements throughout the community. These initiatives include revitalizing parks and public areas, maintaining and improving current City services, and increasing communication between City representatives and the public.

The City also continues to work closely with every level of government and other interested parties to improve transportation throughout the community, including major investment in area highways, roads and streets. Funding for these improvements comes largely from the State and certain federal agencies with additional monies levied through special assessment against benefiting properties and other applicable funds controlled by the City.

Annually, the City develops a five-year financial plan for all budgeted funds. The plans help the organization better understand the effects of certain public policy decisions and allow the City to make more proactive decisions regarding its financial position.

CITY OF FRIDLEY, MINNESOTA

MAJOR INITIATIVES

In 2024, the City continued a number of projects in partnership with various public and private entities related to several infrastructure and redevelopment projects. The following non-exhaustive list outlines many of the more significant projects.

1. The City completed the 2024 Street Rehabilitation Project that included the Brookview, Norton and Marian Hills neighborhoods.
2. A multi-modal parklet was created at University Avenue and 61st Avenue NE, funded by CDBG Federal funds from Anoka County.
3. The City completed construction on Edgewater Gardens Park, Logan Park, Plymouth Square Park and officially completed a very large project at Moore Lake Park. These were all funded through the City's Park System Improvement Plan (PSIP).
4. The City allocated approximately \$1,624,000 of American Rescue Plan Act (ARPA) funds to cover the costs of Water Treatment Plant Security, Sanitary Sewer Lining and a CCTV trailer.
5. It was a solid year for development as the value for all building permits was approximately \$29.5 million.

Moving into 2025, the City continues its effort to enhance and expand various programs and services while ensuring a fiscally responsible organization sensitive to the needs of the community. The 2025 Budget reflects these goals while also responding to various cost pressures and guidance from the City Council.

In 2025, construction and development began very strong. As of March 31, 2025, the value of new construction totaled approximately \$13.3 million. The City has several large projects anticipated for 2025, including, but not limited to the following:

CITY OF FRIDLEY, MINNESOTA

1. A major re-development project will finish as Roers Companies will have completed the redevelopment of the Moon Plaza Property. The redevelopment includes construction of a 169-unit affordable multi-family rental housing development.
2. Following the design work for the 57th Avenue bridge, which was near completion in 2024, staff will be working with the legislature to secure a State match for our Federal funding award (\$16 mil.) for bridge construction. In addition, acquisition of the right-of-way (3 small properties) to make way for the bridge will be necessary.
3. Coordination between the City of Fridley and the Metropolitan Council continues plans for the development of the former Girl Scout Camp for the Metropolitan Council Sanitary Pump Station.
4. Platting efforts and parcel consolidation are underway to prepare the property at the southeast quadrant of Central Avenue and Mississippi Street for development of additional housing. Planning and Housing and Redevelopment Authority staff continue to evaluate housing type and development layout.
5. The City plans to complete the 2025 Street Rehabilitation Project that includes approximately 0.89 miles of streets located in the North Innsbruck Neighborhood.
6. The City plans to start design and/or construction at multiple City parks, including the largest park project: Commons, as well as Jubilee, Oak Hills, and Sylvan Hills part of the approved PSIP.

RELEVANT FINANCIAL POLICIES

In developing and improving the accounting system of the City, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from the same.

CITY OF FRIDLEY, MINNESOTA

The evaluation of costs and benefits are based on the reasonable estimates and judgments of City management.

All internal control evaluations occur within the above framework. The internal accounting controls of the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgets for the General, Special Revenue and Capital Projects Funds are adopted on an annual basis. Budgetary control is maintained in compliance with the City Charter. The City Charter provides that it is the duty of the City Manager to strictly enforce the provisions of the budget. The management policy of the City is such that the existence of a particular item or appropriation in the approved budget does not mean that it will or must be expended.

Budget adjustments between City departments are made upon the approval of a resolution by the City Council. The City Charter provides that the City Council shall not have power to increase the total amount of the budget, whether by insertion of new items or otherwise, beyond the estimated revenue unless the actual revenue exceeds such revenue estimates, and in that event not beyond such actual revenue. There is a monthly process to review actual revenues and expenditures. The City Council also adopts a revised budget annually to reflect on any material changes consistent with the City Charter.

Expenditures are not approved until it has been determined that the expenditure 1) meets a public purpose, 2) is necessary, 3) adequate funds have been appropriated; 4) funds are available; and 5) the authorization of the appropriation expenditure by the appropriate parties. As required by the City Charter, budgetary control is maintained within each department at the department level per the annually adopted budget resolution. This is the level of control at which expenditures may not legally exceed appropriations.

The purpose of the Fund Balance Policy is to establish appropriate fund balance levels for each fund that is primarily supported by property tax revenues or user fees. These policies will ensure that adequate resources are available to meet cash flow needs for carrying out the regular operations of the City. The funds addressed in this policy include the General Fund, Solid Waste Abatement Fund, Springbrook Nature Center Fund, Cable Television Fund, and all Enterprise Funds. In 2024, all the funds addressed by this policy, with the exception of the Springbrook Nature Center, met their fund balance guidelines.

CITY OF FRIDLEY, MINNESOTA

The purpose of the Investment Policy is to develop an overall program and philosophy for cash investments, designed and managed with a high degree of professionalism and worthy of public trust. It establishes that elected and appointed officials as well as certain employees are custodians of a portfolio. It also establishes cash investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments and broker representations.

Section 7.13 of the City Charter requires an annual audit to be made of the books of account, financial records and transactions of all administrative departments of the City by a certified public accountant or the Office of the State Auditor. The accounting firm Redpath and Company was engaged by the City to render an opinion on the financial statements of the City. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended December 31, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City continues to strive to meet the requirements of the Certificate of Achievement Program and will continue submitting it to the GFOA to determine the eligibility for future certificates.

CITY OF FRIDLEY, MINNESOTA

The preparation of this report could not have been accomplished without the dedicated services of all members of the Finance Department, with special recognition to Korrie Johnson, Assistant Finance Director, and the staff of the Accounting Division. Staff are also grateful for the professional guidance from the City auditors, Redpath and Company. Staff would also like to express appreciation to the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and thoughtful manner.

Respectfully submitted,



Walter T. Wysopal
City Manager



Joe Starks
Finance Director/City Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Fridley
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



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CITY OF FRIDLEY, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
December 31, 2024

ELECTED OFFICIALS

Term of Office
Expires December

Mayor	Scott J. Lund	2024
Councilmember At Large	David Ostwald	2024
Councilmember, Ward I	Thomas Tillberry	2026
Councilmember, Ward II	Ryan Evanson	2026
Councilmember, Ward III	Ann R. Bolkcom	2026

APPOINTED OFFICIALS

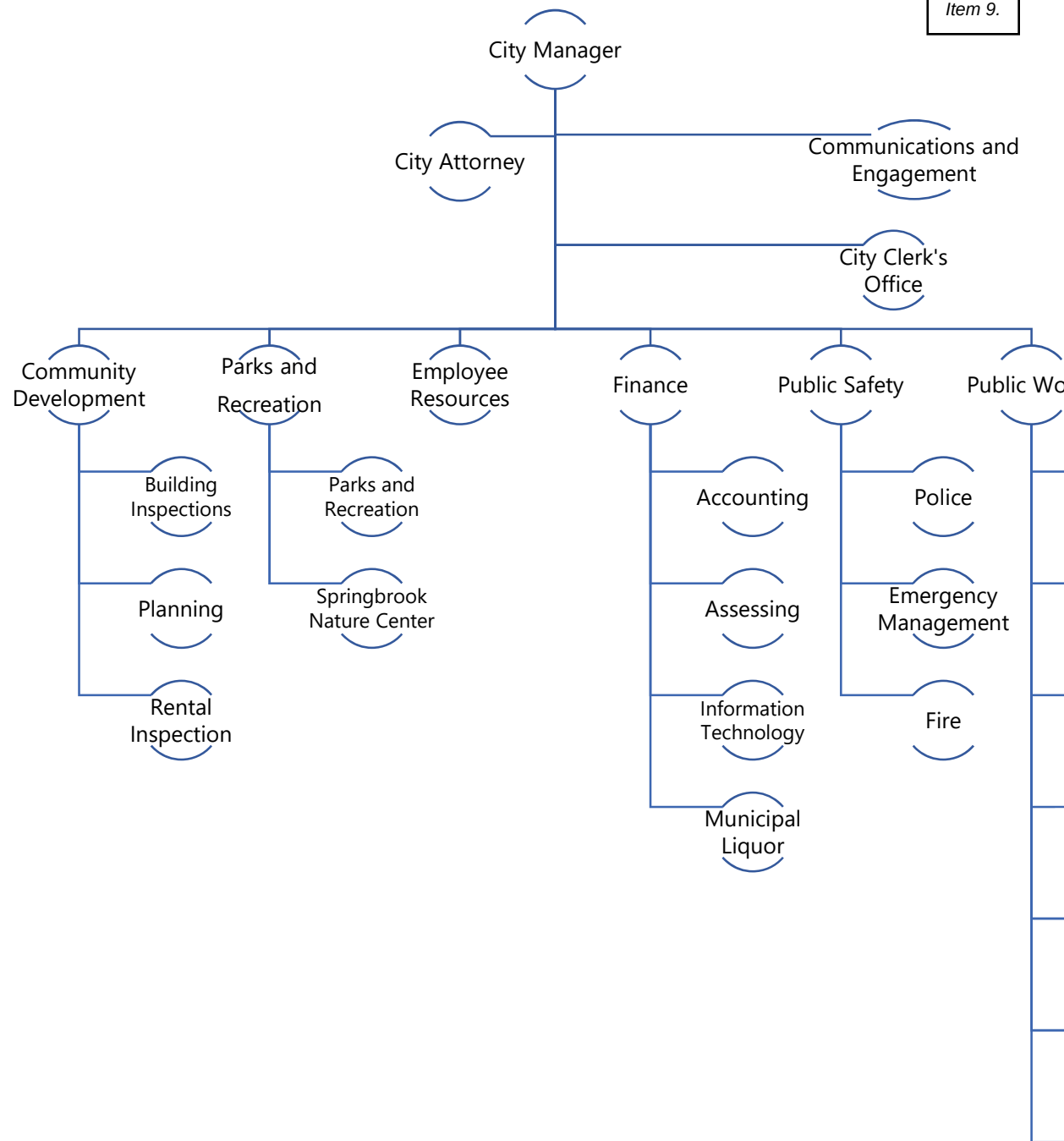
City Manager	Walter T. Wysopal
City Attorney	Sarah J. Sonsalla
Prosecuting Attorney	City of Coon Rapids
City Clerk	Melissa M. Moore

Department Heads:

Director of Finance and City Treasurer	Joseph A. Starks
Director of Public Safety	Ryan N. George
Director of Public Works	James P. Kosluchar
Director of Community Development	Scott J. Hickok
Director of Community Services	Michael W. Maher
Director of Employee Resources	Rebecca A. Hellegers



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II. FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Fridley, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fridley, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Fridley, Minnesota's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fridley, Minnesota, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Fridley, Minnesota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Fridley, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Fridley, Minnesota's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Fridley, Minnesota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fridley, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2025 on our consideration of the City of Fridley, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Fridley, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Fridley, Minnesota's internal control over financial reporting and compliance.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 2, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fridley (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. The City encourages readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found in the table of contents within this report.

Financial Highlights

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$103,777,954 (net position). Of this amount, \$37,585,290 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies. \$59,255,437 is the City's net investment in capital assets, \$5,563,260 is restricted for debt service, \$1,096,898 is restricted for public safety aid, \$277,069 is restricted for donations and special revenue funds.

During 2024, the City's total net position increased by \$10,648,477. Fridley experienced a dry and hot late summer into fall which resulted in higher usage/ water revenue in the water utility fund revenue while expenses stayed relatively steady. This accounted for \$4,288,812 of the increase. Another factor was that the City received \$5,940,091 in grant revenues which was higher than anticipated. Investment earnings also continue to increase as interest rates remained high in addition to a positive net change in the book value versus the fair value.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$54,319,240. This is a decrease of \$2,448,618 which is mainly due to Capital expenditures from the approved Park System Improvement Plan, which were funded with General Obligation Tax Abatement bond proceeds issued, received and recognized in 2022. Of this total amount, \$16,842,755, or 31% is restricted through legal restrictions or third-party agreements mainly for grants, debt service and capital projects.

Management's Discussion and Analysis

At the end of the current fiscal year, the General Fund balance of \$13,774,948 included \$281,232 in nonspendable for inventory and prepaids, \$1,163,646 in restricted donations and aid, and \$12,330,070 in unassigned fund balance.

The City's total debt decreased by \$3,172,255 during the current fiscal year. Total debt outstanding at December 31, 2024 is \$79,563,766. No new debt was issued in 2024 but new this year were Subscription-based IT arrangements in the amount of \$261,012. Lease liabilities increased by \$362,124 due to more vehicles being purchased at an increased cost. In addition, compensated absences had a slight increase while all other debt decreased due to payments made during the year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resource, with the remainder reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e., governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e., business-type activities). The governmental activities of the City include general government, public safety, public works, community development, and parks and recreation. The business-type activities of the City include Liquor, Water, Sewer and Storm Water.

The government-wide financial statements can be found on Exhibits A-1 and A-2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the expenditures and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service, Street Improvements, Community Investment, and Park Improvements, all of which are considered to be major funds.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements as referred to in the table of contents of this report.

The City adopts an annual appropriated budget for its General Fund, four Special Revenue funds and five Capital Project Funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits A-3 and A-4 of this report.

Proprietary funds. The City maintains four enterprise funds and two internal service funds as a part of its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Liquor, Water, Sewer, and Storm Water operations. The City uses internal service funds to account for its Employee Benefits and Self Insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Liquor, Water, Sewer, Storm Water and operations, all of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on Exhibits A-6 through A-8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits A-9 and A-10 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents within this report.

Other information. The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found in the table of contents within this report.

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$103,777,954 at the close of the most recent fiscal year.

A significant portion of the City's net position (\$59,255,437 or 51%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Fridley's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$64,133,603	\$68,717,893	\$23,498,677	\$19,762,921	\$87,632,280	\$88,480,814
Capital assets	88,070,181	83,800,824	29,353,648	27,565,510	117,423,829	111,366,334
Total assets	<u>\$152,203,784</u>	<u>\$152,518,717</u>	<u>\$52,852,325</u>	<u>\$47,328,431</u>	<u>\$205,056,109</u>	<u>\$199,847,148</u>
Total deferred outflows of resources	10,528,292	13,048,644	118,971	58,577	10,647,263	13,107,221
Long-term liabilities outstanding	\$88,078,299	\$93,784,327	\$3,193,830	\$3,441,268	\$91,272,129	\$97,225,595
Other liabilities	4,437,264	6,838,559	1,743,627	1,264,090	6,180,891	8,102,649
Total liabilities	<u>\$92,515,563</u>	<u>\$100,622,886</u>	<u>\$4,937,457</u>	<u>\$4,705,358</u>	<u>\$97,453,020</u>	<u>\$105,328,244</u>
Total deferred inflows of resources	14,437,234	14,467,346	35,164	29,302	14,472,398	14,496,648
Net position:						
Net investment in capital assets	\$33,000,597	\$30,920,434	\$26,254,840	\$24,180,284	\$59,255,437	\$55,100,718
Restricted	6,937,227	7,102,089	-	-	6,937,227	7,102,089
Unrestricted	15,841,455	12,454,606	21,743,835	18,472,064	37,585,290	30,926,670
Total net position	<u>\$55,779,279</u>	<u>\$50,477,129</u>	<u>\$47,998,675</u>	<u>\$42,652,348</u>	<u>\$103,777,954</u>	<u>\$93,129,477</u>

Management's Discussion and Analysis

Net position was negatively impacted by \$11,871,560 at December 31, 2024 due to pension-related amounts included in the above schedule related to the standard are as follows:

Deferred outflows of resources	9,104,873
Deferred inflows of resources	(12,026,240)
Noncurrent liabilities	<u>(8,950,193)</u>
Total	<u>(\$11,871,560)</u>

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$37,585,290 in unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities

Governmental activities increased the City's net position by \$5,302,150. Some of the largest factors contributing to this increase are a gain on investment earnings of \$2,500,077 and an increase in net investments in capital assets in the amount of \$2,080,163.

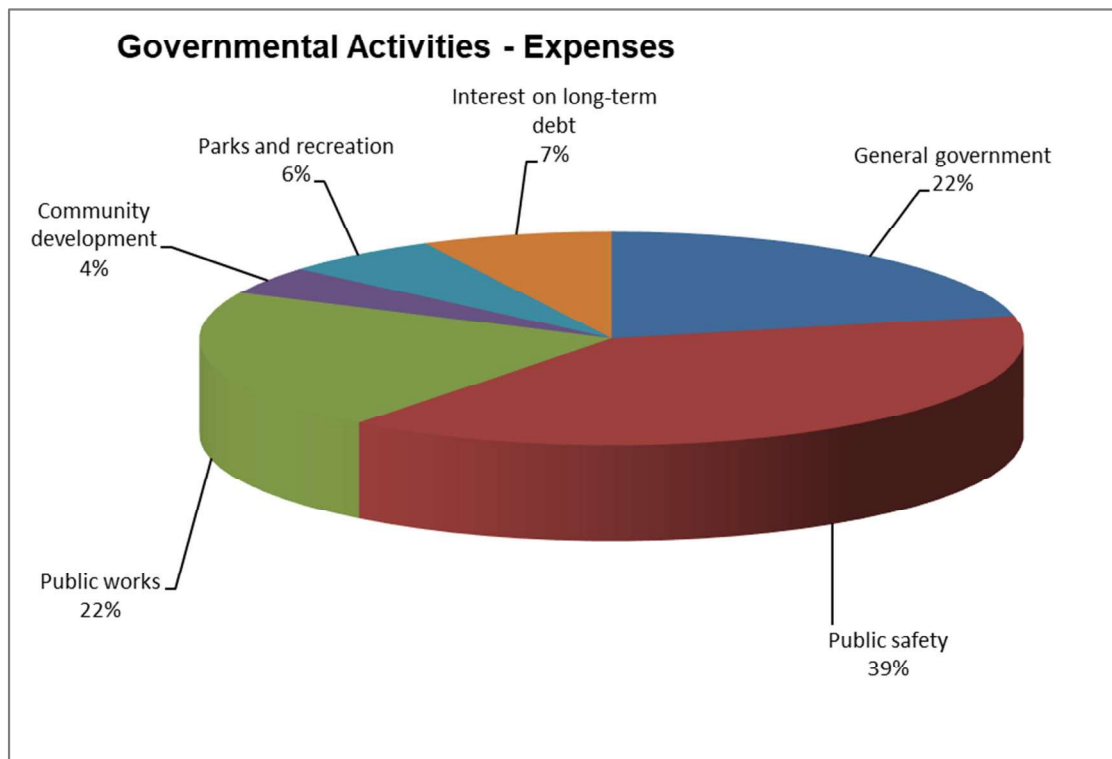
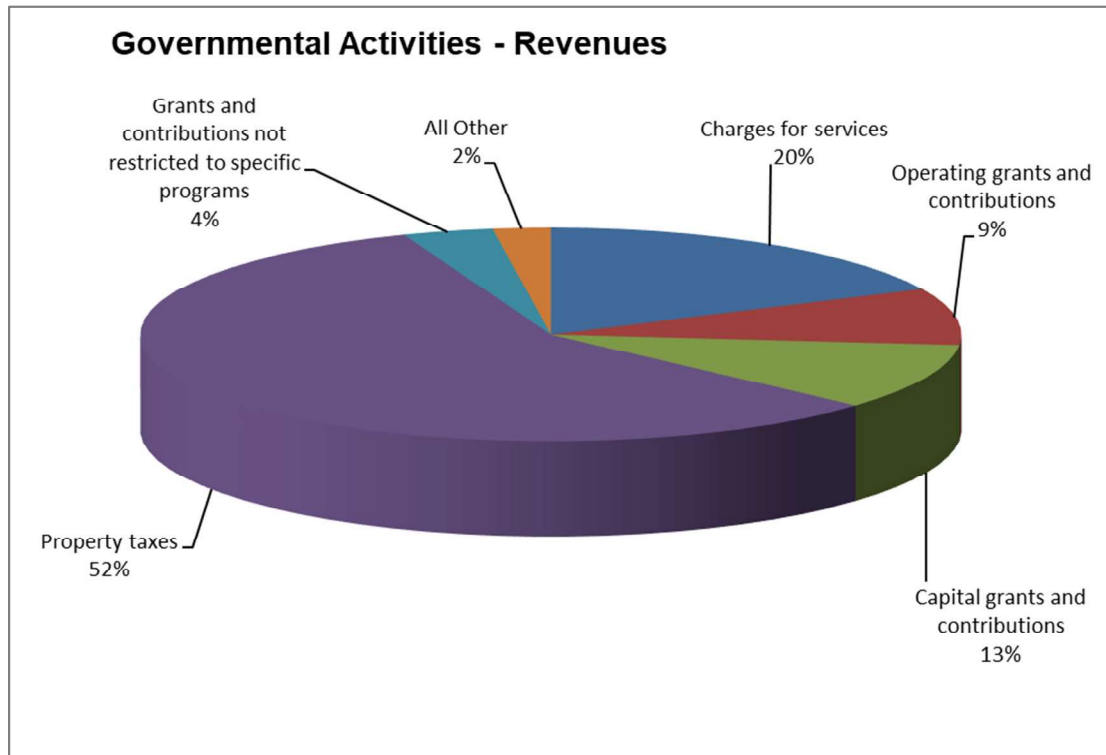
Management's Discussion and Analysis

City of Fridley's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$6,396,123	\$7,726,692	\$20,357,807	\$20,649,450	\$26,753,930	\$28,376,142
Operating grants and contributions	3,033,088	2,908,752	17,916	38,706	3,051,004	2,947,458
Capital grants and contributions	3,599,409	4,743,465	646,612	191,275	4,246,021	4,934,740
General revenues:						
Property taxes	20,385,478	19,410,491	-	-	20,385,478	19,410,491
Grants and contributions not restricted to specific programs	1,265,000	1,875,934	1,624,087	434,500	2,889,087	2,310,434
Unrestricted investment earnings	2,500,077	2,866,774	841,001	828,946	3,341,078	3,695,720
Gain on sale of property	231,673	188,057	37,583	39,551	269,256	227,608
Other	575,455	797,556	51	103	575,506	797,659
Total revenues	<u>37,986,303</u>	<u>40,517,721</u>	<u>23,525,057</u>	<u>22,182,531</u>	<u>61,511,360</u>	<u>62,700,252</u>
Expenses:						
General government	7,096,229	6,921,931	-	-	7,096,229	6,921,931
Public safety	12,764,224	13,556,667	-	-	12,764,224	13,556,667
Public works	7,099,559	6,244,765	-	-	7,099,559	6,244,765
Community development	1,391,923	1,450,922	-	-	1,391,923	1,450,922
Parks and recreation	2,031,169	661,060	-	-	2,031,169	661,060
Interest on long-term debt	2,458,238	2,580,922	-	-	2,458,238	2,580,922
Liquor	-	-	5,846,748	5,858,397	5,846,748	5,858,397
Water	-	-	3,516,145	3,364,844	3,516,145	3,364,844
Sewer	-	-	7,096,221	6,726,694	7,096,221	6,726,694
Storm water	-	-	1,562,427	1,566,767	1,562,427	1,566,767
Total expenses	<u>32,841,342</u>	<u>31,416,267</u>	<u>18,021,541</u>	<u>17,516,702</u>	<u>50,862,883</u>	<u>48,932,969</u>
Increase (decrease) in net position before transfers	5,144,961	9,101,454	5,503,516	4,665,829	10,648,477	13,767,283
Transfers	<u>157,189</u>	<u>338,500</u>	<u>(157,189)</u>	<u>(338,500)</u>	<u>-</u>	<u>-</u>
Increase in net position	5,302,150	9,439,954	5,346,327	4,327,329	10,648,477	13,767,283
Net position - January 1	<u>50,477,129</u>	<u>41,037,175</u>	<u>42,652,348</u>	<u>38,325,019</u>	<u>93,129,477</u>	<u>79,362,194</u>
Net position - December 31	<u>\$55,779,279</u>	<u>\$50,477,129</u>	<u>\$47,998,675</u>	<u>\$42,652,348</u>	<u>\$103,777,954</u>	<u>\$93,129,477</u>

Management's Discussion and Analysis

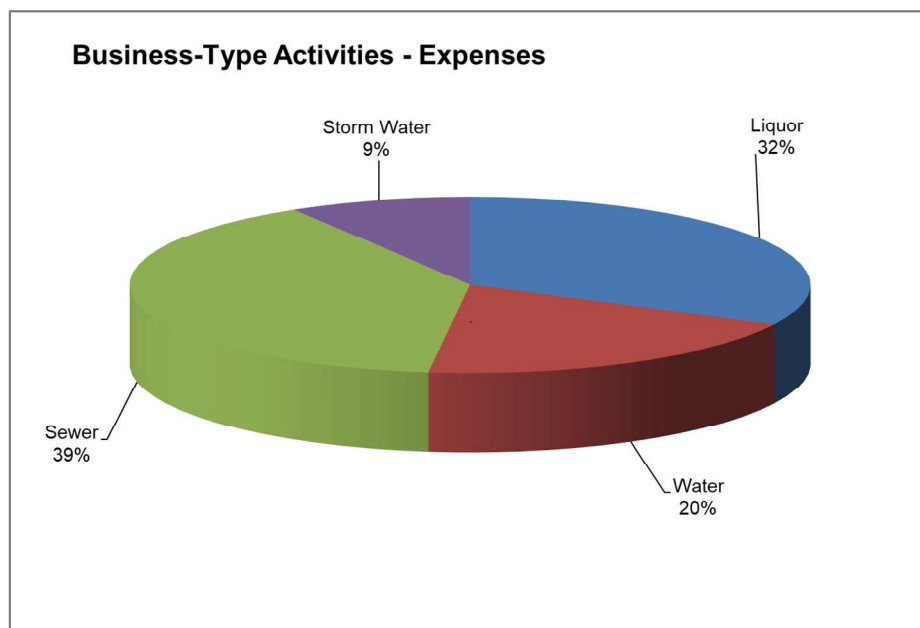
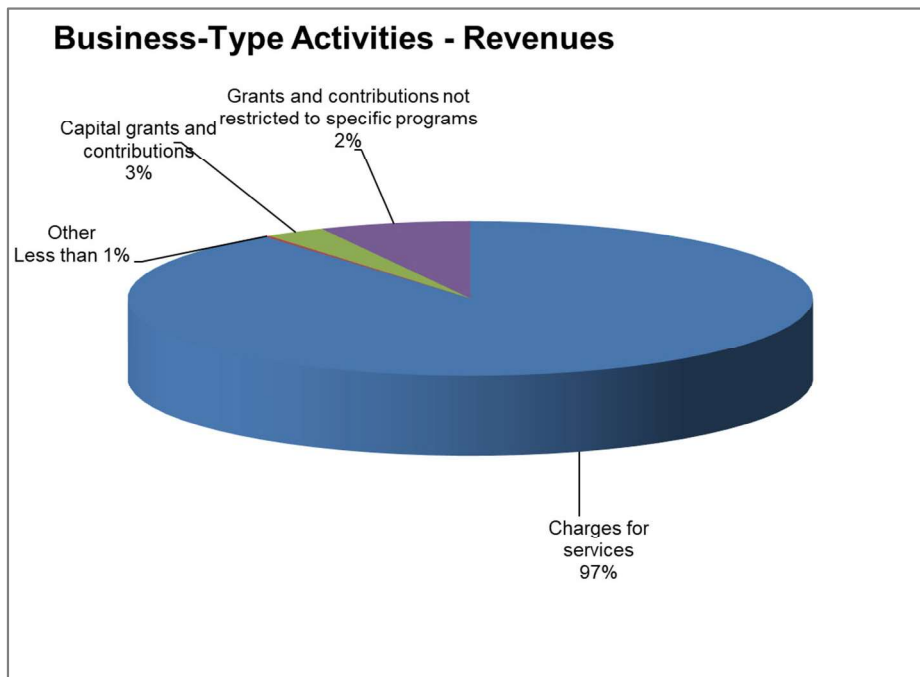
Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:



Business-Type Activities

Business-type activities increased net position by \$5,346,327. This increase is primarily due to positive cash flow in all four of the City's Enterprise funds, namely increased water usage due to a dry late summer/early fall and planned rate increases. In addition, federal grants being used for utility infrastructure equated to \$1,624,087 with another \$664,612 coming from State and Watershed grants.

Business-Type Activities – Program Revenues vs Operating Expenses



Financial Analysis of the Government's Funds

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$54,319,240.

The General Fund's fund balance increased by \$889,139 in 2024. This was more than the \$227,300 decrease anticipated fund balance with the 2024 amended budget. Revenue exceeded the amended budget by \$523,648 due to many factors. Investment income came in \$385,548 over budget attributable to a continued high-rate environment which also led to an unrealized gain. Grants and reimbursements exceeded budget by \$76,185. Some factors in this were police insurance premium tax increasing, public safety disability benefits increasing and State grants to help with emerald ash disease. Charges for services exceeded budget by \$243,287 largely due to additional revenue from school resource officers and additional revenue from the rental of two new facilities.

The Debt Service Fund balance increased by \$124,178 in 2024. No additional debt was issued and paydowns continued as expected.

The Street Improvements Fund has an assigned fund balance of \$1,515,154 and is identified as a major fund. The fund balance decreased by \$490,806 in 2024. This fund has declined in balance due to the increasing cost of street projects. The need to raise additional revenue in this fund is a concern and the City is looking at various scenarios.

The Community Investment Fund has a committed fund balance of \$14,927,617 and is identified as a major fund. The fund balance increased \$729,808. The increase in fund balance is primarily due to a \$555,508 in investment earnings. A portion of this fund balance will be used beginning in 2026 to continue a City-wide parks improvement project once all of the bond proceeds dedicated to this have been spent.

The Park Improvement Fund has a total Fund balance of \$13,493,374. This is a decrease of \$2,617,880 over the prior year. The main reason for this decrease is the spending down of the restricted balance for the General Obligation Tax Abatement bond proceeds for the approved Park System Improvement Plan which were issued received, received and recognized in 2022. The balance is now at \$9,963,998, a decrease of \$5,057,633 from 2023. The assigned fund balance of \$3,529,376 is an increase of

Management's Discussion and Analysis

\$2,439,753 over 2023. The majority of this increase came from a federal grant of \$702,263 and investment earnings of \$741,873. The remainder of the decrease is a result from delayed capital project improvements.

Non-major special revenue funds decreased by \$195,858 in 2024. The majority of this decrease took place in the Cable TV fund. This source of revenue continues to trend downward as less people are subscribing to Cable TV.

Non-major capital project funds decreased by \$887,199 in 2024. This decrease is primarily due to the Capital Equipment fund and the increasing costs associated with leasing vehicles.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position in the respective proprietary funds is: Liquor, \$1,897,982; Water, \$7,556,948; Sewer, \$7,469,757; and Storm Water, \$4,946,551. The Liquor fund decreased in net position by \$127,207. The decrease was primarily due to an additional one-time sales tax payment to the State. The Water, Sewer, and Storm Water funds increased respectively in net position by \$1,914,351, \$2,163,722, and \$1,344,017. The Water fund increase was due primarily to a hot and dry summer combined with a 3% increase in utility rates. Sanitary and Storm Water increases were primarily due to rates increases respectively of 4.5% and 10%. The City is building up fund balance reserves due to increased infrastructure costs in the upcoming years.

Budgetary Highlights

General Fund

The original revenue and expenditure budgets were both amended. The majority of these adjustments made were due to unanticipated revenues that helped to offset increased expenditures. Three significant adjustments were made. MN local affordable housing aid was received in the amount of \$163,500 which amended both the expenditure and revenue budgets. Another budget amendment for both expenditures and revenues was made related to a federal grant for an Embedded social worker in the amount of \$95,000. Another substantial budget amendment was for \$63,000 related to a reimbursement from the state for health insurance expenditures for injured officers on duty.

Operating expenditures in total were less than the final budgetary estimates by \$102,154. Less staff were required for elections than anticipated and legal costs also came in below budget.

Management's Discussion and Analysis

Total revenues were greater than the final budgetary estimates by \$523,648. Local grants and reimbursements came in \$76,185 over budget due to a violent crimes work unit grant and an emerald ash borer grant. Investment income came in \$385,548 over budget due to a continued positive interest rate environment. Charges for services exceeded budget by \$243,287 largely due to additional revenue from school resource officers and additional revenue from the rental of two new facilities.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2024, amounts to \$117,423,829 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements other than buildings, machinery and equipment, infrastructure, construction in progress, lease building, and lease vehicles.

City of Fridley's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$5,692,954	\$5,654,704	\$699,047	\$699,047	\$6,392,001	\$6,353,751
Buildings and structures	44,448,373	46,062,576	4,895,413	5,194,941	49,343,786	51,257,517
Improvements other than buildings	5,611,613	5,263,555	-	-	5,611,613	5,263,555
Machinery and equipment	7,352,913	4,467,525	1,370,816	769,402	8,723,729	5,236,927
Infrastructure	20,535,339	17,202,482	21,215,503	19,549,941	41,750,842	36,752,423
Construction in progress	3,007,520	4,571,540	486,791	603,083	3,494,311	5,174,623
Subscription-based IT arrangements	418,895	-	-	-	418,895	-
Lease building	-	-	170,203	650,452	170,203	650,452
Lease vehicles	1,002,574	578,442	515,875	98,644	1,518,449	677,086
Total Capital Assets	<u>\$88,070,181</u>	<u>\$83,800,824</u>	<u>\$29,353,648</u>	<u>\$27,565,510</u>	<u>\$117,423,829</u>	<u>\$111,366,334</u>

Additional information on the City's capital assets can be found in Note 6.

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$73,355,000. This is a decrease of \$3,565,000 from 2024. \$40,245,000 is for General Obligation Improvement Debt, which is supported by special assessments and property tax levies. \$11,190,000 is General Obligation Tax Increment Debt which is supported by tax increments. \$19,765,000 is General Obligation Tax Abatement Bonds and \$2,155,000 is General Obligation Utility Revenue Debt, which is financed by the respective Utility Fund. In addition, there is long-term debt in the amount of \$1,359,242 for compensated absences, \$2,899,688 of bond issuance premium/discount and \$1,949,836 for lease liabilities and subscription-based IT arrangements.

Additional information on the City's long-term debt can be found in Note 7.

City of Fridley's Outstanding Debt

General Obligation Improvement Bonds, General Obligation Equipment Certificates, General Obligation Revenue Bonds, the related premiums or discounts, and Compensated Absences are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
General Obligation Improvement Bonds	\$40,245,000	\$41,780,000	\$ -	\$ -	\$40,245,000	\$41,780,000
General Obligation Tax Increment Bonds	11,190,000	11,970,000	-	-	11,190,000	11,970,000
General Obligation Tax Abatement Bonds	19,765,000	20,730,000	-	-	19,765,000	20,730,000
General Obligation Revenue Bonds	-	-	2,155,000	2,440,000	2,155,000	2,440,000
Bond issuance premium/discount	2,826,693	3,125,806	72,995	84,832	2,899,688	3,210,638
Lease Liability	935,438	516,400	753,386	810,300	1,688,824	1,326,700
Subscription-based IT arrangements liability	261,012	-	-	-	261,012	-
Compensated Absences	1,359,242	1,278,683	-	-	1,359,242	1,278,683
Total	<u>\$76,582,385</u>	<u>\$79,400,889</u>	<u>\$2,981,381</u>	<u>\$3,335,132</u>	<u>\$79,563,766</u>	<u>\$82,736,021</u>

The City of Fridley has an Aa2 rating.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$131,356,233. Only \$40,245,000 of the City's outstanding debt is counted within the statutory limitation because all other debt is either wholly or partially repaid by revenues other than general property tax levies.

Requests for information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 7071 University Avenue NE, Fridley, Minnesota 55432.



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BASIC FINANCIAL STATEMENTS



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CITY OF FRIDLEY, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing & Redevelopment Authority
Assets:				
Cash and investments	\$54,581,843	\$19,333,162	\$73,915,005	\$23,196,410
Receivables:				
Accounts	281,904	4,552,046	4,833,950	722,463
Taxes	478,458	-	478,458	60,539
Special assessments	1,581,314	21,499	1,602,813	-
Mortgage	-	-	-	4,339,820
Notes	-	-	-	400,000
Interest	273,401	-	273,401	99,810
Due from component unit	422,726	-	422,726	-
Due from other governments	1,698,287	643,874	2,342,161	-
Internal balances	2,535,175	(2,535,175)	-	-
Prepaid items	206,980	483,745	690,725	-
Inventories - at cost	81,893	999,526	1,081,419	-
Lease receivable	1,991,622	-	1,991,622	-
Land held for resale	-	-	-	704,780
Capital assets (net of accumulated depreciation and amortization):				
Land	5,692,954	699,047	6,392,001	1,011,755
Buildings and structures	44,448,373	4,895,413	49,343,786	-
Improvements other than buildings	5,611,613	-	5,611,613	-
Machinery and equipment	7,352,913	1,370,816	8,723,729	-
Infrastructure	20,535,339	21,215,503	41,750,842	-
Construction in progress	3,007,520	486,791	3,494,311	-
Lease building	-	515,875	515,875	-
Lease vehicles	1,002,574	170,203	1,172,777	-
Subscription-based IT arrangements	418,895	-	418,895	-
Total assets	152,203,784	52,852,325	205,056,109	30,537,577
Deferred outflows of resources:				
Related to other post employment benefits	1,423,419	118,971	1,542,390	-
Related to pensions	9,104,873	-	9,104,873	-
Total deferred outflows of resources	10,528,292	118,971	10,647,263	-
Liabilities:				
Due to primary government	-	-	-	423,713
Accounts payable	716,778	561,320	1,278,098	1,230,380
Deposits payable	94,680	458	95,138	-
Contracts payable	1,451,684	117,427	1,569,111	-
Due to other governments	135,092	662,166	797,258	22
Salaries payable	929,092	115,882	1,044,974	-
Accrued interest payable	1,109,938	18,297	1,128,235	-
Unearned revenue	-	268,077	268,077	-
Compensated absences payable:				
Due within one year	962,284	-	962,284	-
Due in more than one year	408,958	-	408,958	-
Other post employment benefits payable:				
Due within one year	76,684	-	76,684	-
Due in more than one year	2,457,037	212,449	2,669,486	-
Lease liability:				
Due within one year	249,211	179,547	428,758	-
Due in more than one year	686,227	573,839	1,260,066	-
Subscription-based IT arrangements liability:				
Due within one year	133,563	-	133,563	-
Due in more than one year	127,449	-	127,449	-
Bonds payable:				
Due within one year	3,450,000	290,000	3,740,000	-
Due in more than one year	70,576,693	1,937,995	72,514,688	-
Net pension liability:				
Due in more than one year	8,950,193	-	8,950,193	-
Total liabilities	92,515,563	4,937,457	97,453,020	1,654,115
Deferred inflows of resources:				
Related to leases	1,991,622	-	1,991,622	-
Related to other post employment benefits	419,372	35,164	454,536	-
Related to pensions	12,026,240	-	12,026,240	-
Total deferred inflows of resources	14,437,234	35,164	14,472,398	-
Net position:				
Net investment in capital assets	33,000,597	26,254,840	59,255,437	1,011,755
Restricted for:				
Debt service	5,563,260	-	5,563,260	-
Tax increment purposes	-	-	-	9,363,171
Police forfeitures	80,875	-	80,875	-
Public safety	1,096,898	-	1,096,898	-
Cable television equipment	129,446	-	129,446	-
Donations	66,748	-	66,748	-
Housing and redevelopment	-	-	-	163,517
Unrestricted	15,841,455	21,743,835	37,585,290	18,345,019
Total net position	\$55,779,279	\$47,998,675	\$103,777,954	\$28,883,462

The accompanying notes are an integral part of these financial statements.

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024

<u>Functions/Programs</u>	<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$7,096,229	\$2,568,143
Public safety	12,764,224	891,432
Public works	7,099,559	531,651
Community development	1,391,923	1,933,679
Parks and recreation	2,031,169	471,218
Interest on long-term debt	2,458,238	-
Total governmental activities	<u>32,841,342</u>	<u>6,396,123</u>
Business-type activities:		
Liquor	5,846,748	6,062,097
Water	3,516,145	4,521,777
Sewer	7,096,221	7,597,446
Storm water	1,562,427	2,176,487
Total business-type activities	<u>18,021,541</u>	<u>20,357,807</u>
Total primary government	<u>\$50,862,883</u>	<u>\$26,753,930</u>
Component unit:		
Housing and Redevelopment Authority	<u>\$5,007,687</u>	<u>\$411,153</u>
Total component unit	<u>\$5,007,687</u>	<u>\$411,153</u>

The accompanying notes are an integral part of these financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit Housing & Redevelopment Authority
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
		Governmental Activities	Business-Type Activities	Total	
\$301,031	\$ -	(\$4,227,055)	\$ -	(\$4,227,055)	\$ -
2,422,774	-	(9,450,018)	-	(9,450,018)	-
108,068	3,561,159	(2,898,681)	-	(2,898,681)	-
178,517	-	720,273	-	720,273	-
22,698	38,250	(1,499,003)	-	(1,499,003)	-
-	-	(2,458,238)	-	(2,458,238)	-
3,033,088	3,599,409	(19,812,722)	-	(19,812,722)	-
-	-	-	215,349	215,349	-
-	179,549	-	1,185,181	1,185,181	-
17,916	-	-	519,141	519,141	-
-	467,063	-	1,081,123	1,081,123	-
17,916	646,612	-	3,000,794	3,000,794	-
\$3,051,004	\$4,246,021	(19,812,722)	3,000,794	(16,811,928)	\$ -
\$213,517	\$ -				(\$4,383,017)
\$213,517	\$ -				(4,383,017)
General revenues:					
Property taxes		20,385,478	-	20,385,478	744,591
Tax increment collections		-	-	-	7,845,616
Grants and contributions not restricted to specific programs		1,265,000	1,624,087	2,889,087	-
Investment income (loss)		2,500,077	841,001	3,341,078	684,756
Gain on sale of property		231,673	37,583	269,256	148,927
Other		575,455	51	575,506	16,768
Transfers		157,189	(157,189)	-	-
Total general revenues and transfers		25,114,872	2,345,533	27,460,405	9,440,658
Change in net position		5,302,150	5,346,327	10,648,477	5,057,641
Net position - January 1		50,477,129	42,652,348	93,129,477	23,825,821
Net position - December 31		\$55,779,279	\$47,998,675	\$103,777,954	\$28,883,462

The accompanying notes are an integral part of these financial statements.

CITY OF FRIDLEY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	General	Debt Service
<u>Assets:</u>		
Cash and investments	\$13,612,482	\$5,446,397
Receivables:		
Accounts	184,974	-
Taxes	347,691	117,338
Special assessments	54,632	-
Interest	273,401	-
Due from component unit	2,361	-
Due from other governments	269,794	-
Due from other funds	36,204	-
Prepays	199,339	-
Lease receivable	1,991,622	-
Inventories, at cost	81,893	-
Total assets	<u>\$17,054,393</u>	<u>\$5,563,735</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances:</u>		
Liabilities:		
Accounts payable	\$219,122	\$475
Due to other funds	-	-
Deposits payable	71,830	-
Contracts payable	1,296	-
Due to other governments	17,731	-
Salaries payable	752,563	-
Total liabilities	<u>1,062,542</u>	<u>475</u>
Deferred inflows of resources:		
Related to leases	1,991,622	-
Unavailable revenue	225,281	58,470
Total deferred inflows of resources	<u>2,216,903</u>	<u>58,470</u>
Fund balance:		
Nonspendable	281,232	-
Restricted	1,163,646	5,504,790
Committed	-	-
Assigned	-	-
Unassigned	12,330,070	-
Total fund balance	<u>13,774,948</u>	<u>5,504,790</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$17,054,393</u>	<u>\$5,563,735</u>

Exhibit A-3

Street Improvements	Community Investment	Park Improvements	Other Governmental Funds	Intra-Activity Eliminations	Totals Governmental Funds
\$1,941,263	\$12,519,738	\$13,713,012	\$4,650,544	\$ -	\$51,883,436
-	-	-	96,190	-	281,164
-	379	133	12,917	-	478,458
1,457,339	403	-	68,940	-	1,581,314
-	-	-	-	-	273,401
-	-	-	420,365	-	422,726
1,109,189	-	152,375	166,929	-	1,698,287
-	2,407,772	-	-	(36,204)	2,407,772
-	-	-	7,641	-	206,980
-	-	-	-	-	1,991,622
-	-	-	-	-	81,893
<u>\$4,507,791</u>	<u>\$14,928,292</u>	<u>\$13,865,520</u>	<u>\$5,423,526</u>	<u>(\$36,204)</u>	<u>\$61,307,053</u>
\$118,026	\$ -	\$323,349	\$54,454	\$ -	\$715,426
-	-	-	36,204	(36,204)	-
11,300	-	10,000	1,550	-	94,680
1,411,724	-	38,664	-	-	1,451,684
-	-	-	117,361	-	135,092
-	-	-	34,340	-	786,903
<u>1,541,050</u>	<u>-</u>	<u>372,013</u>	<u>243,909</u>	<u>(36,204)</u>	<u>3,183,785</u>
-	-	-	-	-	1,991,622
<u>1,451,587</u>	<u>675</u>	<u>133</u>	<u>76,260</u>	<u>-</u>	<u>1,812,406</u>
<u>1,451,587</u>	<u>675</u>	<u>133</u>	<u>76,260</u>	<u>-</u>	<u>3,804,028</u>
-	-	-	7,641	-	288,873
-	-	9,963,998	210,321	-	16,842,755
-	14,927,617	-	2,772,145	-	17,699,762
1,515,154	-	3,529,376	2,133,633	-	7,178,163
-	-	-	(20,383)	-	12,309,687
<u>1,515,154</u>	<u>14,927,617</u>	<u>13,493,374</u>	<u>5,103,357</u>	<u>-</u>	<u>54,319,240</u>
<u>\$4,507,791</u>	<u>\$14,928,292</u>	<u>\$13,865,520</u>	<u>\$5,423,526</u>	<u>(\$36,204)</u>	<u>\$61,307,053</u>

Fund balance reported above

\$54,319,240

Amounts reported for governmental activities in

the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

88,070,181

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.

1,812,406

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

(76,333,081)

Other post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.

(1,529,674)

Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities are included in the governmental statement of net position.

(10,559,793)

Net position of governmental activities

\$55,779,279

The accompanying notes are an integral part of these financial statements.

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2024

	General	Debt Service	Street Improvements
Revenues:			
Taxes	\$14,786,583	\$4,944,874	\$ -
Special assessments	74,639	-	583,258
Licenses and permits	862,171	-	-
Intergovernmental revenue	3,002,885	-	1,517,445
Charges for services	3,076,087	-	-
Reimbursements	-	-	-
Fines and forfeits	150,309	-	-
Investment income (loss)	610,548	108,365	68,610
Contributions and donations	52,265	-	-
Payment from component unit	-	1,132,288	-
Interest on loan	-	-	-
Miscellaneous:			
Other	482,561	-	-
Total revenues	<u>23,098,048</u>	<u>6,185,527</u>	<u>2,169,313</u>
Expenditures:			
Current:			
General government	4,755,008	-	-
Public safety	11,337,366	-	-
Public works	3,931,993	-	83,355
Community development	1,368,592	-	-
Parks and recreation	899,245	-	-
Capital outlay	299,837	-	2,728,464
Debt service:			
Principal	97,675	3,280,000	-
Interest and other charges	9,830	2,750,619	-
Total expenditures	<u>22,699,546</u>	<u>6,030,619</u>	<u>2,811,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>398,502</u>	<u>154,908</u>	<u>(642,506)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Subscription-based IT arrangements issued	299,837	-	-
Lease issuance	-	-	-
Transfers in	542,500	52,451	351,700
Transfers out	(351,700)	(83,181)	(200,000)
Total other financing sources (uses)	<u>490,637</u>	<u>(30,730)</u>	<u>151,700</u>
Net change in fund balance	<u>889,139</u>	<u>124,178</u>	<u>(490,806)</u>
Fund balance - January 1, as previously presented	12,885,809	5,380,612	2,005,960
Change within financial reporting entity (major to nonmajor)	-	-	-
Fund balance - January 1, as adjusted	<u>12,885,809</u>	<u>5,380,612</u>	<u>2,005,960</u>
Fund balance - December 31	<u>\$13,774,948</u>	<u>\$5,504,790</u>	<u>\$1,515,154</u>

The accompanying notes are an integral part of these financial statements.

Community Investment	Park Improvements	CARES/ARPA	Other Governmental Funds	Intra-Activity Eliminations	Totals Governmental Funds
\$ -	\$ -		\$614,045	\$ -	\$20,345,502
-	-		66,621	-	724,518
-	-		191,121	-	1,053,292
-	852,263		1,361,641	-	6,734,234
-	-		674,757	-	3,750,844
-	-		211,489	-	211,489
-	-		15,315	-	165,624
555,508	741,873		291,970	-	2,376,874
-	-		17,333	-	69,598
-	-		-	-	1,132,288
82,586	-		-	-	82,586
64,011	4,500		24,383	-	575,455
702,105	1,598,636	-	3,468,675	-	37,222,304
3,027	-		1,137,104	-	5,895,139
-	-		373,270	-	11,710,636
-	-		54,392	-	4,069,740
-	-		7,783	-	1,376,375
-	70,640		749,707	-	1,719,592
-	3,908,272		2,926,095	-	9,862,668
-	-		416,160	-	3,793,835
-	-		65,235	-	2,825,684
3,027	3,978,912	-	5,729,746	-	41,253,669
699,078	(2,380,276)	-	(2,261,071)	-	(4,031,365)
-	-		231,673	-	231,673
-	-		259,135	-	558,972
-	-		634,913	-	634,913
83,181	-		200,000	(1,072,643)	157,189
(52,451)	(237,604)		(147,707)	1,072,643	-
30,730	(237,604)	-	1,178,014	-	1,582,747
729,808	(2,617,880)	-	(1,083,057)	-	(2,448,618)
14,197,809	16,111,254	70,260	6,116,154	-	56,767,858
-	-	(70,260)	70,260	-	-
14,197,809	16,111,254	-	6,186,414	-	56,767,858
\$14,927,617	\$13,493,374	\$ -	\$5,103,357	\$ -	\$54,319,240

The accompanying notes are an integral part of these financial statements.



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CITY OF FRIDLEY, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024

Amounts reported for governmental activities in the statement of activities (Exhibit A-2) are different because:

Net changes in fund balances - total governmental funds (Exhibit A-4)	(\$2,448,618)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	4,231,107
Deferred revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	64,608
The issuance of long-term debt (e.g., bonds, leases) provides current resources to governmental funds, while the repayment of the principal of financial long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,899,063
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.	38,250
Internal service funds are used by management to charge the cost of certain activities to individual funds. This amount is net expenditures attributable to governmental activities.	621,734
Other post employment benefits in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(172,327)
Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	68,333
Change in net position of governmental activities (Exhibit A-2)	<u>\$5,302,150</u>

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024

	Business-Type Activities - Enterprise Funds	
	Liquor	Water
Assets:		
Current assets:		
Cash and investments	\$1,556,016	\$8,231,332
Accounts receivable	-	1,766,210
Special assessments receivable	-	21,499
Due from other governments	-	179,669
Prepaid items	-	-
Inventories - at cost	928,465	71,061
Total current assets	2,484,481	10,269,771
Noncurrent assets:		
Capital assets:		
Land	151,946	147,485
Buildings and structures	518,944	8,362,151
Machinery and equipment	322,452	3,301,028
Infrastructure	-	24,187,152
Construction in process	-	179,549
Lease building	919,604	-
Lease vehicles	-	109,971
Total capital assets	1,912,946	36,287,336
Less: Allowance for depreciation and amortization	(1,037,108)	(21,963,753)
Net capital assets	875,838	14,323,583
Total assets	3,360,319	24,593,354
Deferred outflows of resources:		
Related to pensions	-	-
Related to other post employment benefits	26,679	41,849
Total deferred outflows of resources	26,679	41,849
Liabilities:		
Current liabilities:		
Accounts payable	335,750	158,306
Deposits payable	458	-
Accrued interest payable	-	18,297
Contracts payable	-	-
Due to other governments	145,714	202,728
Due to other funds	-	2,252,772
Salaries payable	35,116	35,463
Payroll deductions payable	-	-
Compensated absences - current	-	-
Lease liability - current	139,369	20,024
Bonds payable - current	-	290,000
Unearned revenue	40,612	-
Total current liabilities	697,019	2,977,590
Noncurrent liabilities:		
Other post employment benefits	47,643	74,736
Compensated absences - noncurrent	-	-
Lease liability - noncurrent	439,060	70,859
Bonds payable - noncurrent	-	1,937,995
Net pension liability	-	-
Total noncurrent liabilities	486,703	2,083,590
Total liabilities	1,183,722	5,061,180
Deferred inflows of resources:		
Related to pensions	-	-
Related to other post employment benefits	7,885	12,370
Total deferred inflows of resources	7,885	12,370
Net position:		
Net investment in capital assets	297,409	12,004,705
Unrestricted	1,897,982	7,556,948
Total net position	\$2,195,391	\$19,561,653
Net position reported above		
Adjustment to report the cumulative internal balance for the net effect activity between the internal service fund and the enterprise funds over time		

Net position of business-type activities (Exhibit A-1)

The accompanying notes are an integral part of these financial statements.

Exhibit A-6

Business-Type Activities - Enterprise Funds			Governmental Activities -
Sewer	Storm Water	Total	Internal Service Funds
\$5,644,902	\$3,900,912	\$19,333,162	\$2,698,407
2,014,106	771,730	4,552,046	740
-	-	21,499	-
11,901	452,304	643,874	-
483,745	-	483,745	-
-	-	999,526	-
8,154,654	5,124,946	26,033,852	2,699,147
22,800	376,816	699,047	-
903,244	-	9,784,339	-
1,331,336	569,414	5,524,230	-
12,807,015	15,708,844	52,703,011	-
118,442	188,800	486,791	-
-	-	919,604	-
108,342	-	218,313	-
15,291,179	16,843,874	70,335,335	-
(9,872,105)	(8,108,721)	(40,981,687)	-
5,419,074	8,735,153	29,353,648	-
13,573,728	13,860,099	55,387,500	2,699,147
-	-	-	9,104,873
21,028	29,415	118,971	-
21,028	29,415	118,971	9,104,873
52,903	14,361	561,320	1,352
-	-	458	-
-	-	18,297	-
100,221	17,206	117,427	-
313,206	518	662,166	-
90,000	65,000	2,407,772	-
18,585	26,718	115,882	-
-	-	-	142,189
-	-	-	962,284
20,154	-	179,547	-
-	-	290,000	-
187,465	40,000	268,077	-
782,534	163,803	4,620,946	1,105,825
37,550	52,520	212,449	-
-	-	-	408,958
63,920	-	573,839	-
-	-	1,937,995	-
-	-	-	8,950,193
101,470	52,520	2,724,283	9,359,151
884,004	216,323	7,345,229	10,464,976
-	-	-	12,026,240
6,216	8,693	35,164	-
6,216	8,693	35,164	12,026,240
5,234,779	8,717,947	26,254,840	-
7,469,757	4,946,551	21,871,238	(10,687,196)
\$12,704,536	\$13,664,498	\$48,126,078	(\$10,687,196)
		\$48,126,078	
		(127,403)	
		\$47,998,675	

The accompanying notes are an integral part of these financial statements.

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds	
	Liquor	Water
Sales	\$6,062,071	\$ -
Cost of sales	(4,410,176)	-
Gross profit	1,651,895	-
Operating revenues:		
Customer billings	-	4,518,793
Charges for services	-	-
Other revenues	26	2,984
Total operating revenues	26	4,521,777
Total gross profit and operating revenues	1,651,921	4,521,777
Operating expenses:		
Personnel services	735,094	897,102
Supplies and other charges:		
Disposal charges	-	-
Other	488,732	1,447,845
Depreciation and amortization	190,716	1,071,703
Total operating expenses	1,414,542	3,416,650
Operating income (loss)	237,379	1,105,127
Nonoperating revenues (expenses):		
Intergovernmental revenue	-	238,577
Investment income (loss)	59,691	399,204
Insurance reimbursement	-	-
Interest and fiscal charges	(35,777)	(116,043)
Gain (loss) on sale of capital assets	-	32,937
Other	-	-
Total nonoperating revenues (expenses)	23,914	554,675
Income (loss) before transfers and capital contributions	261,293	1,659,802
Transfers and capital contributions:		
Transfers in	-	75,000
Transfers out	(388,500)	-
Capital contributions	-	179,549
Total transfers and contributions	(388,500)	254,549
Change in net position	(127,207)	1,914,351
Net position - January 1	2,322,598	17,647,302
Net position - December 31	\$2,195,391	\$19,561,653
Changes in net position reported above		
Adjustment to report the cumulative internal balance for the net effect of activity between the internal service funds and the enterprise funds over time.		
Changes in net position of business-type activities (Exhibit A-2)		

The accompanying notes are an integral part of these financial statements.

Exhibit A-7

Business-Type Activities - Enterprise Funds			Governmental Activities -
Sewer	Storm Water	Total	Internal Service Funds
\$ -	\$ -	\$6,062,071	\$ -
-	-	(4,410,176)	-
-	-	1,651,895	-
7,597,446	2,166,379	14,282,618	-
-	-	-	2,029,823
-	3,500	6,510	-
7,597,446	2,169,879	14,289,128	2,029,823
7,597,446	2,169,879	15,941,023	2,029,823
525,346	701,978	2,859,520	1,431,120
5,465,188	-	5,465,188	-
680,379	453,556	3,070,512	367,026
425,412	417,208	2,105,039	-
7,096,325	1,572,742	13,500,259	1,798,146
501,121	597,137	2,440,764	231,677
1,385,510	6,608	1,630,695	306,265
190,552	191,554	841,001	123,203
-	-	-	12,032
(8,730)	(2,000)	(162,550)	-
4,646	-	37,583	-
-	51	51	-
1,571,978	196,213	2,346,780	441,500
2,073,099	793,350	4,787,544	673,177
72,707	83,604	231,311	-
-	-	(388,500)	-
17,916	467,063	664,528	-
90,623	550,667	507,339	-
2,163,722	1,344,017	5,294,883	673,177
10,540,814	12,320,481	42,831,195	(11,360,373)
\$12,704,536	\$13,664,498	\$48,126,078	(\$10,687,196)
		\$5,294,883	
		51,444	
		\$5,346,327	

The accompanying notes are an integral part of these financial statements.

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds	
	Liquor	Water
Cash flows from operating activities:		
Receipts from customers and users	\$6,059,391	\$4,239,838
Receipts from interfund services provided	-	-
Payment to suppliers	(4,853,748)	(1,363,096)
Payment to employees	(715,073)	(876,258)
Operating contribution	-	-
Net cash flows from operating activities	490,570	2,000,484
Cash flows from noncapital financing activities:		
Intergovernmental revenue	-	163,577
Transfers in	-	75,000
Transfers out	(388,500)	-
Net cash flows from noncapital financing activities	(388,500)	238,577
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(1,139,981)
Proceeds from sale of capital assets	-	32,937
Capital grants and contributions	-	4,367
Principal received on special assessments	-	(11,505)
Insurance reimbursement	-	-
Principal paid on revenue bonds	-	(296,837)
Principal paid on leases	(131,926)	(14,366)
Repayment on interfund loan	-	(503,444)
Interest and paying agent fees on long-term liabilities	(35,777)	(117,690)
Net cash flows from capital and related financing activities	(167,703)	(2,046,519)
Cash flows from investing activities:		
Investment income (loss)	59,691	399,204
Net increase (decrease) in cash and cash equivalents	(5,942)	591,746
Cash and cash equivalents - January 1	1,561,958	7,639,586
Cash and cash equivalents - December 31	\$1,556,016	\$8,231,332
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$237,379	\$1,105,127
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation and amortization	190,716	1,071,703
Operating contribution	-	-
Changes in assets and liabilities:		
Decrease (increase) in receivables	-	(281,939)
Decrease (increase) in prepaid items	-	-
Decrease (increase) in inventories	(33,731)	31,961
Decrease (increase) in deferred outflows of resources	(13,260)	(20,812)
Increase (decrease) in payables	110,999	92,597
Increase (decrease) in unearned revenue	(2,706)	-
Increase (decrease) in deferred inflows of resources	1,173	1,847
Total adjustments	253,191	895,357
Net cash provided (used) by operating activities	\$490,570	\$2,000,484

The accompanying notes are an integral part of these financial statements.

Exhibit A-8

Business-Type Activities - Enterprise Funds			Governmental Activities -
Sewer	Storm Water	Total	Internal Service Funds
\$7,880,713	\$2,016,374	\$20,196,316	\$ -
-	-	-	2,032,963
(6,136,326)	(448,419)	(12,801,589)	(389,358)
(515,730)	(686,760)	(2,793,821)	(1,971,068)
-	51	51	-
1,228,657	881,246	4,600,957	(327,463)
1,500,268	6,608	1,670,453	306,265
72,707	83,604	231,311	-
-	-	(388,500)	-
1,572,975	90,212	1,513,264	306,265
(1,442,618)	(850,982)	(3,433,581)	-
4,646	-	37,583	-
24,773	227,807	256,947	-
-	690	(10,815)	-
-	-	-	12,032
-	-	(296,837)	-
19,222	-	(127,070)	-
(40,000)	(35,000)	(578,444)	-
(8,423)	(2,000)	(163,890)	-
(1,442,400)	(659,485)	(4,316,107)	12,032
190,552	191,554	841,001	123,203
1,549,784	503,527	2,639,115	114,037
4,095,118	3,397,385	16,694,047	2,584,370
\$5,644,902	\$3,900,912	\$19,333,162	\$2,698,407
\$501,121	\$597,137	\$2,440,764	\$231,677
425,412	417,208	2,105,039	-
-	51	51	-
283,267	(153,505)	(152,177)	3,140
(29,845)	-	(29,845)	-
-	-	(1,770)	-
(10,797)	(15,525)	(60,394)	2,909,393
58,402	34,135	296,133	(3,494,873)
-	-	(2,706)	-
1,097	1,745	5,862	23,200
727,536	284,109	2,160,193	(559,140)
\$1,228,657	\$881,246	\$4,600,957	(\$327,463)

The accompanying notes are an integral part of these financial statements.

CITY OF FRIDLEY, MINNESOTA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

December 31, 2024

	Total
Assets:	
Cash and investments	\$6,489
Accounts receivable	5,076
Total assets	<u>\$11,565</u>
Liabilities:	
Accounts payable	<u>11,565</u>
Net Position:	
Restricted for economic development	<u>\$ -</u>

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For The Year Ended December 31, 2024

	<u>Total</u>
Additions:	
Tax collections from other governments	\$123,742
Total additions	<u>123,742</u>
Deductions:	
Payments of tax to other governments	117,555
Administrative fee	<u>6,187</u>
Total deductions	<u>123,742</u>
Net increase in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.



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THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. Summary of Significant Accounting Policies

The City of Fridley, Minnesota was incorporated July 1, 1949, under Chapter 410.03 of the Statutes of the State of Minnesota providing for a council-manager form of government under the "Home Rule Charter City" concept. The City provides the following services as authorized by its charter: general administrative services, public safety (police and fire), public improvements, planning and zoning, and culture and recreation.

The financial statements of the City of Fridley, Minnesota have been prepared in conformity with generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. Financial Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Fridley, Minnesota (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Component Units

In conformity with generally accepted accounting principles, the financial statements of the component units have been included in the financial reporting entity as discretely presented component units.

Discretely Presented Component Unit - The Fridley Housing and Redevelopment Authority (HRA) is governed by commissioners appointed by the Fridley City Council. The HRA is responsible for providing housing and redevelopment assistance to the City and its residents. Funding for the various programs administered by the HRA is provided through the issuance of tax increment revenue bonds and general obligation tax increment bonds guaranteed by the City. Separate financial statements are not prepared for the HRA.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental Activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* services debt on the general obligation improvement bonds that were issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to have benefited from such improvements.

The *Street Improvements Fund* is used to account for repairs and replacements of city streets and street related equipment such as signs and street lights.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

The *Community Investment Fund* is used to account for capital costs associated with the parks and public utilities maintained by the City.

The *Park Improvements Fund* is used to account for repairs and replacements of city park equipment or park related improvements.

The City reports the following major proprietary funds:

The *Liquor Fund* accounts for operations of the municipal liquor stores.

The *Water Fund* accounts for the water service charges which are used to finance the water system operating expenses.

The *Sewer Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operating expenses.

The *Storm Water Fund* accounts for storm sewer charges which are used to finance the storm sewer operating expenses.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for employee fringe benefits, pension benefits, and insurance deductibles that are provided on a cost reimbursement or fee basis to departments or agencies within the City. These funds are essential for segregating costs for determining the total cost of providing a service and for assuring that the goods and services provided are properly utilized.

Fiduciary Funds - Custodial Funds are used to account for monies on behalf of the North Metro Convention and Tourism Bureau.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City of Fridley. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the liquor, water, sewer and storm water enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

D. Budgets

The City Charter grants the City Council full authority over the financial affairs of the City. The City Manager is charged with the responsibility of preparing the estimates of the annual budget and the enforcement of the provisions of the budget as specified in the City Charter. Upon adoption of the annual budget resolution by the Council, it becomes the formal appropriation budget for City operations. All budget adjustments must be approved by the Council. Budgets for the General and select Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted expenditure appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. Legal Compliance - Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The City Council may authorize transfer of budgeted amounts between departments within any fund.
5. Reported budget amounts are as originally adopted or as amended by Council approved transfers. The City Charter limits appropriations to the total estimated revenues and fund balances. If actual revenues exceed the original estimates, appropriations may be increased by the Council up to the amount of revenue increases.
6. All budget amounts lapse at the end of the year to the extent they have not been expended or encumbered. Encumbrances are reappropriated into the following year's budget.
7. Annual budgets are legally adopted for the General Fund and for the following Special Revenue Funds: Cable TV Fund, Solid Waste Abatement Fund, Police Activity Fund, and Springbrook Nature Center Fund. Formal budgeting integration is employed as a management control device during the year for each of these fund. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is achieved through the bond indenture provisions. Budgetary control for other Capital Projects Funds is accomplished through the use of project controls.
8. As required by the City Charter, budgetary control is maintained within department at the departmental level. This is the level of control at which expenditures may not legally exceed appropriations.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

9. The General Fund budget includes prior year encumbrances which were reappropriated to the current year. Expenditures for the items encumbered are included in the current year's expenditures.

The following is a listing of funds whose expenditures exceeded budgeted appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Amount Over Budget</u>
General Fund:			
General government	\$4,830,400	\$5,054,845	\$224,445
Nonmajor Funds:			
Springbrook Nature Center Fund	749,100	749,707	607

F. Cash and Investments

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

Investments are stated at fair value, based upon quoted market prices. Investment income is accrued at the balance sheet date.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary funds have original maturities of 90 days or less. Therefore the entire balance in the proprietary funds is considered cash equivalents.

G. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due from/to other funds." All short-term interfund receivables and payables at December 31, 2024 are planned to be eliminated in the subsequent year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Uncollectible property taxes and special assessments are not material and therefore have not been reported. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

H. Property Tax Revenue Recognition

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers in full on May 15 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Government-Wide Financial Statements

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

Governmental Fund Financial Statements

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred inflows of resources because they are not available to finance current expenditures.

I. Special Assessment Revenue Recognition

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with State Statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years of the related bond issue. Collection of annual installments (including interest) is handled by the County in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

THE CITY OF FRIDLEY, MINNESOTA
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Government-Wide Financial Statements

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

Governmental Fund Financial Statements

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

J. Inventories

Governmental Funds

Inventories of the general fund are stated at cost, which approximates market, using the first-in, first-out (FIFO) method. The primary government does not maintain material amounts of inventory within the other governmental funds. Inventories of the other governmental funds are recorded as expenditures at the time of purchase.

Proprietary Funds

Liquor fund inventories are valued on the average cost basis. Other proprietary funds inventory items are expensed at the time they are sold or used (consumption method).

K. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

L. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue/the lessee's usage levels.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial recording of the lease receivable and is recognized as revenue over the lease term.

THE CITY OF FRIDLEY, MINNESOTA
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M. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of two years and an initial cost of more than the following:

Capitalization Threshold	
Land	\$1
Buildings and structures	\$25,000
Improvements other than buildings	\$25,000
Machinery and equipment	\$10,000
Infrastructure	\$50,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost of the infrastructure to be capitalized to the acquisition year or estimated acquisition year).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government, and the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	
Buildings and structures	10 – 40 years
Improvements other than buildings	10 – 20 years
Machinery and equipment	3 – 25 years
Infrastructure	15 – 50 years

The City has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus any ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

THE CITY OF FRIDLEY, MINNESOTA
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N. Compensated Absences

All liabilities for compensated absences, both current and long-term, for annual leave, severance and separation pay are accounted for in the Employee Benefits Fund, an Internal Service Fund. Each year compensated absence expenditures and expenses are recorded in the Governmental and Proprietary Funds respectively, equivalent to the full amount accrued by fund employees during the year. These charges are offset by a corresponding transfer of assets from the home department funds to the Employee Benefits Fund to fund the liability. This liability represents all leave benefits which are attributable to services already rendered, accumulated and is more likely than not to be used for time off or otherwise paid. The personnel ordinance limits the annual accumulation of benefits that can be accumulated from year-to-year.

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Issuance costs are immaterial and are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. Pursuant to City Council Resolution, the City Manager and/or the Finance Director are authorized to establish assignments of fund balance.

Unassigned - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

THE CITY OF FRIDLEY, MINNESOTA
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When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

Q. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

R. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

S. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. They are the pension and OPEB related deferred outflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension and OPEB related deferred inflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position and lease related deferred inflows reported in the government-wide Statements of Net Position and the governmental funds Balance Sheet. The City also has a type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from property taxes and special assessments.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

T. Defined Benefit Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds”. The details of this difference are as follows:

Bonds payable	(\$71,200,000)
Premium on bonds payable	(2,826,693)
Lease liability	(935,438)
Subscription-based IT arrangements liability:	(261,012)
Accrued interest payable	<u>(1,109,938)</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>(\$76,333,081)</u></u>

2. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this difference are as follows:

Capital outlay	\$9,862,668
Depreciation expense	<u>(5,631,561)</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$4,231,107</u></u>

THE CITY OF FRIDLEY, MINNESOTA
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Another element of that reconciliation states that “revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds”. The details of this difference are as follows:

Unavailable revenue - general property taxes:	
At December 31, 2023	(\$204,555)
At December 31, 2024	244,498
Unavailable revenue - special assessments:	
At December 31, 2023	(1,543,243)
At December 31, 2024	<u>1,567,908</u>
Net adjustments to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$64,608</u></u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds”. Neither transaction, however, has any effect on net position. The details of this difference are as follows:

Principal repayments	\$3,280,000
Amortization of premium on bonds issuance	299,113
Lease issuance	(634,913)
Lease repayment	215,875
Subscription-based IT arrangements issued	(558,972)
Subscription-based IT arrangements repayment	<u>297,960</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$2,899,063</u></u>

2. **Deposits and Investments**

A. **Deposits**

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

THE CITY OF FRIDLEY, MINNESOTA
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Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2024, the bank balance of the City's and HRA's deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by perfected pledged collateral held in the City or HRA's name.

B. Investments

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

As of December 31, 2024, the City's investment balances were as follows:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1	1-5	6-10
Federal Farm Credit Bank	AA+	\$1,216,030	\$ -	\$1,216,030	\$ -
Federal Home Loan Bank	AA+	1,424,172	545,034	879,138	-
Federal National Mortgage Association	AA+	17,480,662	2,072,111	11,782,298	3,626,253
Federal Home Loan Mortgage Corporation	AA+	13,833,377	462,618	6,853,592	6,517,167
Local government bonds	A+-AAA, Aaa-Aa3	15,856,253	5,715,221	8,479,232	1,661,800
International Development Finance Corp	N/R	409,388	-	409,388	-
US Treasury Notes	AA+	8,897,453	8,510,781	386,672	-
Brokered Certificates of Deposits	N/R	3,488,860	494,144	2,994,716	-
Money market	N/R	10,749,867	10,749,867	-	-
Total		<u>\$73,356,062</u>	<u>\$28,549,776</u>	<u>\$33,001,066</u>	<u>\$11,805,220</u>
Total investments		\$73,356,062			
Deposits		560,832			
Petty cash		4,600			
Total cash and investments		<u>\$73,921,494</u>			

As of December 31, 2024, the HRA's investment balances were as follows:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1	1-5	6-10
Federal National Mortgage Association	AA+	\$7,304,427	\$235,444	\$3,852,271	\$3,216,712
Federal Home Loan Mortgage Corp	AA+	6,818,090	198,258	3,031,783	3,588,049
Local Government Bonds	N/R, AA1-AAA	1,215,951	99,272	1,116,679	-
Inter American Development Bank	AAA	127,934	-	127,934	-
Brokered Certificates of Deposits	N/R	2,706,814	1,229,969	1,476,845	-
Money Market	N/R	4,900,775	4,900,775	-	-
Total		<u>\$23,073,991</u>	<u>\$6,663,718</u>	<u>\$9,605,512</u>	<u>\$6,804,761</u>
Total investments		\$23,073,991			
Deposits		124,419			
Total cash and investments		<u>\$23,198,410</u>			

THE CITY OF FRIDLEY, MINNESOTA
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The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2024:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Federal Farm Credit Bank	\$1,216,030	\$ -	\$1,216,030	\$ -
Federal Home Loan Bank	1,424,172	-	1,424,172	-
Federal National Mortgage Association	17,480,662	-	17,480,662	-
Federal Home Loan Mortgage Corporation	13,833,377	-	13,833,377	-
Local government bonds	15,856,253	-	15,856,253	-
International Development Finance Corp	409,388	-	409,388	-
US Treasury Notes	8,897,453	8,897,453	-	-
Brokered Certificates of Deposits	3,488,860	-	3,488,860	-
Total	<u>\$62,606,195</u>	<u>\$8,897,453</u>	<u>\$53,708,742</u>	<u>\$ -</u>
Investments not categorized:				
Money market	10,749,867			
Total	<u>\$73,356,062</u>			

The HRA has the following recurring fair value measurements as of December 31, 2024:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Federal National Mortgage Association	\$7,304,427	\$ -	\$7,304,427	\$ -
Federal Home Loan Mortgage Corp	6,818,090	-	6,818,090	-
Local Government Bonds	1,215,951	-	1,215,951	-
Inter American Development Bank	127,934	-	127,934	-
Brokered Certificates of Deposits	2,706,814	-	2,706,814	-
Total	<u>\$18,173,216</u>	<u>\$ -</u>	<u>\$18,173,216</u>	<u>\$ -</u>
Investments not categorized:				
Money market	4,900,775			
Total	<u>\$23,073,991</u>			

C. Investment Risks

Custodial credit risk – Investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City policy is to limit its exposure by holding investments in securities with a major bank's corporate trust department. Investments are delivered to the City's trust account and then payment is released to the broker-dealer.

THE CITY OF FRIDLEY, MINNESOTA
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Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City's investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. The policy also states the City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to only those investment instruments authorized by Minnesota Statutes. The City's investment policy does not place further restrictions on investment options.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City and HRA places no limit on the amount the City or HRA may invest in any one issuer.

Investments in a single issuer exceeding 5% of the City's overall investment portfolio are in various holdings as follows:

Federal National Mortgage Association	23.83%
Federal Home Loan Mortgage Corporation	18.86%
US Treasury Notes	12.13%

Investments in a single issuer exceeding 5% of the HRA's overall investment portfolio are in various holdings as follows:

Federal National Mortgage Association	31.66%
Federal Home Loan Mortgage Corp	29.55%

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. Receivables

Significant receivables balances not expected to be collected within one year of December 31, 2024 are as follows:

	Primary Government						
	Major Funds						
			Street	Community	Park	Nonmajor	
	General	Debt Service	Improvements	Investment	Improvements	Funds	Total
Special assessments receivable	\$32,831	\$ -	\$1,032,117	\$286	\$ -	\$49,602	\$1,114,836
Delinquent property taxes	167,500	54,700	-	300	100	6,100	228,700
Lease receivable	1,826,567	-	-	-	-	-	1,826,567
	<u>\$2,026,898</u>	<u>\$54,700</u>	<u>\$1,032,117</u>	<u>\$586</u>	<u>\$100</u>	<u>\$55,702</u>	<u>\$3,170,103</u>

4. Lease Receivable

The City leases a portion of city owned sites for antenna rentals as follows:

Tower Leases	Estimated Ending Term **	Estimated Range of Monthly Payments During Lease Term	Annual Adjustment Escalator
Dish Wireless - Commons Tower #1	5/1/2033	\$2,000 - \$3,103	5% every 5 years
AT&T - Marion Hills	7/1/2025	\$3,374 - \$3,906	Greater of 5% or CPI-U
AT&T - Public Works Garage	11/30/2028	\$3,759 - \$5,037	Greater of 5% or CPI-U
T-Mobile - Marion Hills	6/17/2032	\$3,039 - \$3,705	Greater of 2% or CPI-U up to 5%
T-Mobile - Commons Tower #1	7/17/2045	\$3,098 - \$4,697	Greater of 2% or CPI-U up to 5%
Verizon - Commons Tower #1	6/30/2033	\$3,610 - \$5,147	Greater of 5% or CPI-U
Verizon - TH65 Tower #2	2/13/2034	\$3,610 - \$5,147	Greater of 5% or CPI-U

** This is the period covered in which the lessor believes it is reasonably certain that the lease will be extended through.

The leases are measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 5.50% which is based on the rate available to finance acquisitions over the same period.

At December 31, 2024, the City recorded \$1,991,622 in leases receivables and deferred inflows of resources for these arrangements.

THE CITY OF FRIDLEY, MINNESOTA
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Total revenue recognized in relation to these leases is as follows:

Amortization of lease-related deferred inflows:	
Site leases	\$183,170
Interest revenue	<u>102,759</u>
Total revenue recognized in relation to lease assets	<u><u>\$285,929</u></u>

5. Unavailable Revenues

Governmental funds report deferred inflows of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Property Taxes</u>	<u>Special Assessments</u>	<u>Total</u>
Major funds:			
General	\$179,108	\$46,173	\$225,281
Debt Service	58,470	-	58,470
Street Improvements	15	1,451,572	1,451,587
Community Investment	272	403	675
Park Improvements	133	-	133
Nonmajor	<u>6,500</u>	<u>69,760</u>	<u>76,260</u>
Total unavailable revenue	<u><u>\$244,498</u></u>	<u><u>\$1,567,908</u></u>	<u><u>\$1,812,406</u></u>

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

6. Capital and Right-to-Use Lease Assets

Capital asset and right-to-use lease asset activity for the year ended December 31, 2024 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	\$5,654,704	\$38,250	\$ -	\$ -	\$5,692,954
Construction in progress	4,571,540	2,876,666	(4,440,686)	-	3,007,520
Total capital assets, not being depreciated or amortized	10,226,244	2,914,916	(4,440,686)	0	8,700,474
Capital assets, being depreciated and amortized:					
Buildings and structures	58,146,517	688,099	-	-	58,834,616
Machinery and equipment	15,063,362	3,957,566	(1,262,090)	85,092	17,843,930
Improvements	7,836,635	757,365	-	-	8,594,000
Infrastructure	40,530,056	4,731,137	(446,690)	-	44,814,503
Lease vehicles	666,894	733,550	-	(85,092)	1,315,352
Subscription based IT arrangements	-	558,971	-	-	558,971
Total capital assets, being depreciated and amortized	122,243,464	11,426,688	(1,708,780)	-	131,961,372
Less accumulated depreciation and amortization for:					
Buildings and structures	12,083,941	2,302,302	-	-	14,386,243
Machinery and equipment	10,595,837	1,135,997	(1,262,090)	21,273	10,491,017
Improvements	2,573,080	409,307	-	-	2,982,387
Infrastructure	23,327,574	1,398,280	(446,690)	-	24,279,164
Lease vehicles	88,452	245,599	-	(21,273)	312,778
Subscription based IT arrangements	-	140,076	-	-	140,076
Total accumulated depreciation and amortization	48,668,884	5,631,561	(1,708,780)	0	52,591,665
Total capital assets being depreciated and amortized - net	73,574,580	5,795,127	-	-	79,369,707
Governmental activities capital assets - net	\$83,800,824	\$8,710,043	(\$4,440,686)	\$0	\$88,070,181
Business-type activities:					
Capital assets, not being depreciated or amortized:					
Land	\$699,047	\$ -	\$ -	\$ -	\$699,047
Construction in progress	603,083	461,657	(577,949)	-	486,791
Total capital assets, not being depreciated	1,302,130	461,657	(577,949)	0	1,185,838
Capital assets, being depreciated and amortized:					
Buildings and structures	9,801,859	186,315	(203,835)	-	9,784,339
Machinery and equipment	4,942,336	748,808	(166,914)	-	5,524,230
Infrastructure	49,735,023	2,967,988	-	-	52,703,011
Lease buildings	919,604	-	-	-	919,604
Lease vehicles	111,955	106,358	-	-	218,313
Total capital assets, being depreciated and amortized	65,510,777	4,009,469	(370,749)	0	69,149,497
Less accumulated depreciation and amortization for:					
Buildings and structures	4,606,918	485,843	(203,835)	-	4,888,926
Machinery and equipment	4,048,391	271,937	(166,914)	-	4,153,414
Infrastructure	30,309,625	1,177,883	-	-	31,487,508
Lease buildings	269,152	134,577	-	-	403,729
Lease vehicles	13,311	34,799	-	-	48,110
Total accumulated depreciation and amortization	39,247,397	2,105,039	(370,749)	0	40,981,687
Total capital assets being depreciated and amortized - net	26,263,380	1,904,430	0	0	28,167,810
Business-type activities capital assets - net	\$27,565,510	\$2,366,087	(\$577,949)	\$0	\$29,353,648
Component Unit					
Capital assets, not being depreciated:					
Land	\$1,011,755	\$ -	\$ -	\$1,011,755	

THE CITY OF FRIDLEY, MINNESOTA
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The City has recorded a right-to-use lease asset for building space, and right-to-use lease assets for vehicle leases. The related leases are discussed in the long-term liabilities footnote disclosure.

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$1,199,913
Public safety	1,090,269
Public works, including depreciation of general infrastructure assets	3,016,049
Community development	4,921
Parks and recreation	320,409
Total - governmental activities	<u>\$5,631,561</u>
Business-type activities:	
Liquor	\$190,716
Water	1,071,703
Sewer	425,412
Storm water	417,208
Total - business-type activities	<u>\$2,105,039</u>

THE CITY OF FRIDLEY, MINNESOTA
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7. Long-Term Liabilities

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

As of December 31, 2024, the long-term bonded debt of the City consisted of the following:

Governmental Activities:

\$49,130,000 General Obligation Improvement Bonds, Series 2017A due in varying annual installments of \$1,060,000 - \$2,925,000 through February 1, 2042; interest at 3.00% - 5.00%	\$40,245,000
\$9,510,000 General Obligation Tax Increment Bonds, Series 2019A due in varying annual installments of \$930,000- \$1,150,000 beginning February 1, 2027 through February 1, 2035; interest at 2.125% - 5.00%	9,510,000
\$4,540,000 General Obligation Tax Increment Bonds, Series 2020A due in varying annual installments of \$630,000- \$860,000 beginning February 1, 2021 through February 1, 2026; interest at 5.00%	1,680,000
\$20,730,000 General Obligation Tax Abatement bonds, Series 2022A due in varying installments of \$965,000 - \$1,855,000, beginning February 1, 2024 through February 1, 2038; interest at 4.00% - 5.00%	19,765,000
Unamortized premium	<u>2,826,693</u>
Subtotal governmental activities	<u>74,026,693</u>

Business-Type Activities:

\$5,995,000 General Obligation Water Revenue Bonds of 2016A due in varying annual installments of \$275,000 - \$575,000 through February 1, 2031; interest at 2.00% - 2.25%	2,155,000
Unamortized premium	<u>72,995</u>
Subtotal business-type activities	<u>2,227,995</u>
Total primary government	<u><u>\$76,254,688</u></u>

THE CITY OF FRIDLEY, MINNESOTA
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Annual debt service requirements to maturity for general obligation and revenue bonds are as follows:

Year Ending December 31,	Primary Government							
	Governmental Activities						Business-Type Activities	
	G.O. Improvement		G.O. Tax Increment		G.O. Tax Abatement		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$1,615,000	\$1,372,488	\$820,000	\$312,288	\$1,015,000	\$892,825	\$290,000	\$41,012
2026	1,695,000	1,289,738	860,000	270,288	1,065,000	840,825	295,000	35,163
2027	1,780,000	1,211,763	930,000	225,538	1,120,000	786,200	300,000	29,212
2028	1,850,000	1,139,163	975,000	177,912	1,175,000	728,825	310,000	23,113
2029	1,925,000	1,073,288	1,025,000	143,287	1,230,000	668,700	315,000	16,862
2030	1,985,000	1,014,637	1,045,000	122,587	1,295,000	605,575	320,000	10,512
2031	2,040,000	954,263	1,065,000	101,487	1,360,000	539,200	325,000	3,656
2032	2,105,000	890,771	1,085,000	79,987	1,425,000	469,575	-	-
2033	2,170,000	822,619	1,105,000	58,087	1,500,000	396,450	-	-
2034	2,240,000	750,956	1,130,000	35,737	1,575,000	319,575	-	-
2035	2,315,000	676,937	1,150,000	12,219	1,650,000	247,200	-	-
2036	2,390,000	600,481	-	-	1,715,000	179,900	-	-
2037	2,465,000	520,047	-	-	1,785,000	109,900	-	-
2038	2,550,000	433,825	-	-	1,855,000	37,100	-	-
2039	2,640,000	343,000	-	-	-	-	-	-
2040	2,730,000	249,025	-	-	-	-	-	-
2041	2,825,000	151,812	-	-	-	-	-	-
2042	2,925,000	51,188	-	-	-	-	-	-
Total	\$40,245,000	\$13,546,001	\$11,190,000	\$1,539,417	\$19,765,000	\$6,821,850	\$2,155,000	\$159,530

Lease agreements that qualify as other than short-term leases under GASB 87 have been recorded at the present value of the future minimum lease payments as of the date of lease commencement.

The City has entered into an agreement to lease building space. The lease requires 82 monthly lease payments that range from \$12,153 - \$13,975. The lease liability is measured at a discount rate of 5.50%, which is the City's incremental borrowing rate. The lease requires the City to pay a portion of the operating costs of the building. As a result of the lease, the City has recorded a right to use asset with a net book value of \$515,875 and lease liability of \$578,429 on December 31, 2024.

The City has entered into 37 agreements to lease vehicles with terms up to 60 months. The leases require monthly payments ranging from \$327-\$1,432. The lease liabilities are measured at discount rates implicit in the lease ranging from 7.31% - 8.37%. As a result of these agreements, the City has recorded right-to-use lease assets with a net book value totaling \$1,172,777 with a lease liability of \$1,110,395 at December 31, 2024.

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Total expense related to the lease vehicles and buildings for the year ended December 31, 2024 is as follows:

Amortization expense by asset class:	
Buildings	\$134,576
Vehicles	280,399
Total amortization expense	<u>414,975</u>
Variable lease expense	242,405
Interest on lease liabilities	<u>110,951</u>
Total expense recognized in relation to lease vehicles and buildings	<u>\$768,331</u>

The net present value of the minimum lease payments as of December 31, 2024 was as follows:

Business-Type Activities						
Year Ending December 31,	Lease Building			Lease Vehicles		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$139,369	\$28,335	\$167,704	\$40,178	\$12,348	\$52,526
2026	147,230	20,474	167,704	43,432	9,094	52,526
2027	155,535	12,169	167,704	46,950	5,576	52,526
2028	136,295	3,459	139,754	34,568	2,088	36,656
2029	-	-	-	9,829	192	10,021
Total	<u>\$578,429</u>	<u>\$64,437</u>	<u>\$642,866</u>	<u>\$174,957</u>	<u>\$29,298</u>	<u>\$204,255</u>

Governmental Activities			
Year Ending December 31,	Lease Vehicles		
	Principal	Interest	Total
2025	\$249,211	\$64,669	\$313,880
2026	249,535	45,220	294,755
2027	226,169	26,009	252,178
2028	152,788	10,615	163,403
2029	57,735	3,143	60,878
Total	<u>\$935,438</u>	<u>\$149,656</u>	<u>\$1,085,094</u>

THE CITY OF FRIDLEY, MINNESOTA
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The City has four right-to-use subscription-based IT arrangements. The terms of the agreements range between 36 – 60 months. The agreements require annual payments ranging from \$12,880 - \$107,504. The subscription-based IT arrangement liabilities are measured at a discount rate of 7.50%, which is the City's incremental borrowing rate. As a result of these agreements, the City has recorded a right-to-use subscription-based IT arrangement asset with a net book value totaling \$418,895 and a lease liability of \$261,012. There were no variable payments associated with the agreement.

Amortization expense by asset class:

Subscription-based IT arrangement	\$140,076
Total amortization expense	<u>140,076</u>

Interest on subscription-based IT arrangement liabilities	<u>11,054</u>
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Total expense recognized in relation to subscription-based IT arrangement assets	<u><u>\$151,130</u></u>
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Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
G.O. improvement bonds	\$41,780,000	\$ -	(\$1,535,000)	\$40,245,000	\$1,615,000
G.O. tax increment bonds	11,970,000	-	(780,000)	11,190,000	820,000
G.O. tax abatement bonds	20,730,000	-	(965,000)	19,765,000	1,015,000
Total bonds payable	<u>74,480,000</u>	<u>-</u>	<u>(3,280,000)</u>	<u>71,200,000</u>	<u>3,450,000</u>
Bond issuance premium/discount	3,125,806	-	(299,113)	2,826,693	-
Lease liability	516,400	634,913	(215,875)	935,438	249,211
Subscription-based IT arrangements liability	-	558,972	(297,960)	261,012	133,563
Compensated absences**	1,278,683	80,559	-	1,359,242	962,284
Total governmental activities long-term debt	<u>\$79,400,889</u>	<u>\$1,274,444</u>	<u>(\$4,092,948)</u>	<u>\$76,582,385</u>	<u>\$4,795,058</u>
Business-type activities:					
Bonds payable:					
G.O. revenue bonds	\$2,440,000	\$ -	(\$285,000)	\$2,155,000	\$290,000
Bond issuance premium/discount	84,832	-	(11,837)	72,995	-
Lease liability	810,300	106,357	(163,271)	753,386	179,547
Total business-type activities long-term debt	<u>\$3,335,132</u>	<u>\$106,357</u>	<u>(\$460,108)</u>	<u>\$2,981,381</u>	<u>\$469,547</u>

**The change in compensated absences is presented at the net amount.

All long-term bonded indebtedness outstanding at December 31, 2024 is backed by the full faith and credit of the City, including improvement and revenue bond issues. Delinquent assessments receivable at December 31, 2024 totaled \$12,483.

THE CITY OF FRIDLEY, MINNESOTA
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Revenues Pledged

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged				Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Debt Service as a % of Net Revenues	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2022A	Park Improvements	Property Taxes	100%	-	2020-2038	\$26,586,850	\$1,907,325	\$2,007,226
2020A	Housing Redevelopment	Tax Increment	100%	100.0%	2020-2026	1,765,000	883,500	883,500
2019A	Housing Redevelopment	Tax Increment	100%	100.0%	2020-2035	10,964,417	248,788	248,788
2017A	Building Improvements	Property Taxes	100%	95.06%	2017-2042	53,791,001	2,986,238	2,937,648
2016A Water Revenue Bonds	Infrastructure Improvements	Water Customer Net Revenue	100%	12.88%	2016-2031	2,314,530	331,763	4,521,777

8. Defined Benefit Pension Plans

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). Plan provisions are established and administered according to Minnesota Statutes, Chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

THE CITY OF FRIDLEY, MINNESOTA
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B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is “vested,” they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employees Plan Benefits

The General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2012, are vested after three years of service. Members hired on or after July 1, 2012, are 50% vested after five years and 100% vested after ten years. After five years, vesting increased by 10% each full year of service until members are at 100% vested after ten years. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

THE CITY OF FRIDLEY, MINNESOTA
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Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

C. Contributions

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024 were \$650,735. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024 were \$1,013,765. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$3,735,374 for its proportionate share of the General Employee's Fund net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$96,589.

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The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1010% at the end of the measurement period and 0.1007% for the beginning of the period.

City's proportionate share of the net pension liability	\$3,735,374
State of Minnesota's proportionate share of the net pension liability associated with the City	96,589
Total	<u>\$3,831,963</u>

For the year ended December 31, 2024, the City recognized pension expense of \$430,647 for its proportionate share of the General Plan's pension expense. In addition, the City recognized an additional \$2,589 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$171,801 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City reported General Employees Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$351,261	\$ -
Changes in actuarial assumptions	18,268	1,413,779
Net difference between projected and actual earnings on pension plan investments	-	1,094,935
Changes in proportion	82,182	-
Employer contributions subsequent to the measurement date	324,238	-
Total	<u>\$775,949</u>	<u>\$2,508,714</u>

THE CITY OF FRIDLEY, MINNESOTA
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The \$324,238 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2025	(1,150,831)
2026	(168,562)
2027	(451,316)
2028	(286,294)
2029	-
Thereafter	-
	<u>(\$2,057,003)</u>

2. Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$5,214,819 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3964% at the end of the measurement period and 0.3983% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund during the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$198,787.

City's proportionate share of the net pension liability	\$5,214,819
State of Minnesota's proportionate share of the net pension liability associated with the City	198,787
Total	<u>\$5,413,606</u>

For the year ended December 31, 2024, the City recognized pension expense of \$891,858 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$19,303 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund special funding situation.

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The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid, because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$112,572 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2024, the City reported Police and Fire Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$2,030,502	\$ -
Changes in actuarial assumptions	5,714,881	7,679,193
Net difference between projected and actual earnings on pension plan investments	-	1,682,975
Changes in proportion	67,548	155,358
Employer contributions subsequent to the measurement date	515,993	
Total	<u>\$8,328,924</u>	<u>\$9,517,526</u>

The \$515,993 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2025	(\$289,460)
2026	1,301,593
2027	(781,090)
2028	(2,042,941)
2029	107,303
Thereafter	-
	<u>(\$1,704,595)</u>

The net pension liability will be liquidated by the general, water, sewer, storm and liquor funds.

THE CITY OF FRIDLEY, MINNESOTA
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E. Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.25% for the General Plan and 1.00% for the Police and Fire Plan.

Salary growth assumptions in the General Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for General Plan were based on the Pub-2010 General Employee Mortality Table. Mortality rates for Police and Fire Plan were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

THE CITY OF FRIDLEY, MINNESOTA
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Police and Fire Fund

Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

F. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Plan and Police and Fire Plan were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

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G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Proportionate share of the			
General Plan net pension liability	\$8,158,659	\$3,735,374	\$96,819
Proportionate share of the Police and			
Fire Plan net pension liability	\$12,323,637	\$5,214,819	(\$623,007)

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

I. Pension Expense

Pension expense recognized by the City for the year ended December 31, 2024 is as follows:

General Plan	\$433,236
Police and Fire Plan	<u>911,161</u>
Total	<u>\$1,344,397</u>

9. Defined Contribution Plan

Five Council members of the City of Fridley are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of

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employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2024 were:

Contribution Amount		Percentage of Covered Payroll			Required Rate
Employee	Employer (Pension Expense)		Employee	Employer	
\$2,056	\$2,056	5%	5%		5%

10. Defined Contribution Pension Plan - Fridley Volunteer Firefighters Relief Association

Plan Description

The Fridley Volunteer Firefighters Relief Association (Association), is a single employer public employee retirement system that acts as a common investment administrator for all of the City's firefighters. Pursuant to a 1987 amendment to its by-laws, the pension plan is a defined contribution plan, prior to 1987 the pension plan was a defined benefit pension plan.

Benefits and contribution requirements are established by the Association's by-laws and can be amended by the Association's Board of Trustees with approval from the City of Fridley, Minnesota. All provisions are within limitations established by Minnesota Statutes.

Type of Benefit

The exclusive pension provided by the Association is a "Defined Contribution Lump Sum Service Pension," as defined in Minnesota Statutes §424A.02, Subdivision 4.

Contribution Made

The City collected and remitted \$255,339 and \$228,821 in State Aid to the Association for December 31, 2024 and 2023, respectively. This transaction is recorded as revenue and expenditures in the City's financial statements.

During 2024 and as of December 31, 2024, the Association held no securities issued by the City or other related parties.

As of December 31, 2024, the Fridley Firefighters Relief Association joined the Statewide Volunteer Firefighter (SVF) plan.

11. Post-Employment Benefits Other Than Pensions (OPEB)

A. Plan Description

In addition to providing the pension benefits described in Notes 8 and 9, the City provides post employment health care benefits, as defined in paragraph B, through its group health insurance plan (the plan). The plan is a single-employer defined benefit OPEB plan administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and

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collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

The City provides health coverage for peace officers or firefighters disabled or killed in the line of duty in accordance with Minnesota Statute 299A.465. The amount of coverage provided is equal to the employer portion of health insurance premiums that would have otherwise been paid if the officer or firefighter was an active employee. During 2024, benefits were provided to five officers disabled in the line of duty.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65, Medicare becomes the primary insurer.

C. Participants

As of the January 1, 2023 actuarial valuation date, participants of the plan consisted of:

Active employees	150
Inactive employees or beneficiaries	
currently receiving benefits	<u>6</u>
Total	<u><u>156</u></u>

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D. Total OPEB Liability and Changes in Total OPEB Liability

The City's total OPEB liability of \$2,746,170 was measured as of January 1, 2024 and was determined by an actuarial valuation as of January 1, 2023. Changes in the total OPEB liability during 2024 were:

Balance - beginning of year	\$1,980,420
Changes for the year:	
Service cost	39,900
Interest cost	79,336
Changes of benefit terms	
Differences between expected and actual experience	618,668
Changes in assumptions	102,388
Benefit payments	(74,542)
Net changes	765,750
Balance - end of year	<u>\$2,746,170</u>

There were no plan changes since the measurement date of January 1, 2024.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Service graded increases ranging from 3% - 11.755%
Discount rate	3.70%
20-year municipal bond yield	3.70%
Healthcare cost trend rates	6.25% as of January 1, 2024 grading to 5.00% over 5 years and then to 4.00% over the next 48 years
Retirees' share of benefit-related costs	100%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on published rate information for 20-year high quality, tax exempt, general obligation municipal bonds as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plan Headcount – weighted mortality tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions (retirement withdrawal) used in the January 1, 2023 valuation are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

There were no changes in assumptions and other inputs since the prior measurement date.

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F. Sensitivity of the Total OPEB Liability to Changes in The Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate 3.70%:

	1% Decrease (2.70%)	Discount Rate (3.70%)	1% Increase (4.70%)
Total OPEB liability	\$3,133,561	\$2,746,170	\$2,425,960

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates of 6.25% grading to 5.00% over 5 years and then to 4.00% over the next 48 years:

	1% Decrease (5.25% decreasing to 4.00%)	Healthcare Cost Trend Rates (6.25% decreasing to 5.00%)	1% Increase (7.25% decreasing to 6.00%)
Total OPEB liability	\$2,396,555	\$2,746,170	\$3,167,130

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related To OPEB

For the year ended December 31, 2024, the City recognized \$300,410 of OPEB expense. At December 31, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$1,248,743	\$136,378
Changes in actuarial assumptions	216,963	318,158
Contributions subsequent to the measurement date	76,684	-
Total	<u>\$1,542,390</u>	<u>\$454,536</u>

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\$76,684 reported as deferred outflows of resources related to OPEB resulting from City contributions after the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2025. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2025	\$181,172
2026	181,173
2027	145,647
2028	126,977
2029	143,231
Thereafter	232,970

The OPEB liability will be liquidated by the general, water, sewer, storm and liquor funds.

12. Interfund Receivables, Payables and Transfers

Interfund payables and receivables are representative of lending/borrowing arrangements to cover deficit cash balances (unless otherwise indicated below) at the end of the fiscal year.

Interfund receivables and payables of the City are as follows:

	Interfund Receivables	Interfund Payables
Due From/Due To:		
Major Funds:		
General Fund	\$36,204	\$ -
Community Investment (1) (2)	2,407,772	-
Water (1) (2)	-	2,252,772
Sewer (2)	-	90,000
Storm Water (2)	-	65,000
Nonmajor Fund:		
Police Activity	-	15,821
Special Assessment Construction Capital Projects	-	20,383
Total	<u>\$2,443,976</u>	<u>\$2,443,976</u>

(1) Interfund loan from Community Investment Fund to Water Fund to support capital costs related to the Locke Park Water Treatment Improvement Project Balance was \$1,932,772 at December 31, 2024.

(2) Interfund loan from Community Investment Fund to Water, Sewer, and Storm Water Funds to pay off the 2010A revenue bond to save on interest expense. Balance is \$475,000 at December 31, 2024.

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Interfund receivables and payables of the HRA component unit at December 31, 2024 are as follows:

Due From/Due To:	Interfund Receivables	Interfund Payables
Major Funds:		
General Fund	\$7,479,055	\$ -
Gateway Northeast	-	1,100,946
BAE Hazardous Sub District	-	2,129,569
Locke Point Park	-	4,100,249
Lake Pointe	-	21,303
Nonmajor Governmental Funds:		
Gateway East	-	20,291
Gateway West	-	100,578
Moon Plaza	-	6,119
Total	<u>\$7,479,055</u>	<u>\$7,479,055</u>

The above balances are not expected to be eliminated within one year of December 31, 2024.

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Interfund Transfers:

	Transfer In	Transfer Out
Governmental Funds:		
Major Funds:		
General Fund (1) (4) (5) (8) (9)	\$542,500	\$351,700
Debt Service (3)	52,451	83,181
Street Improvements (1) (4) (9)	351,700	200,000
Community Investment (3)	83,181	52,451
Park Improvements (5) (6)	-	237,604
Nonmajor Governmental Funds:		
CARES/ARPA (2)	-	147,707
Capital Equipment (7)	200,000	-
Total governmental funds	<u>1,229,832</u>	<u>1,072,643</u>
Proprietary Funds:		
Liquor (7) (8)	-	388,500
Water (2)	75,000	-
Sewer (2)	72,707	-
Storm Water (6)	83,604	-
Total proprietary funds	<u>231,311</u>	<u>388,500</u>
Total	<u>\$1,461,143</u>	<u>\$1,461,143</u>

- (1) Transfer of \$151,700 from General Fund to Street Improvements Fund to finance capital projects.
- (2) Transfer of \$147,707 from CARES/ARPA Fund to Water and Sewer Funds to finance projects covered by the funding.
- (3) Transfers of remaining fund balances within the Debt Service Fund to close out and move the excess to/deficit from the Community Investment Fund.
- (4) Transfer of \$200,000 from Street Improvements Fund to General Fund to finance General Fund street expenses
- (5) Transfer of \$154,000 from the Park Improvements Fund to the General Fund cover employee time spent on park improvements
- (6) Transfer of \$83,604 from Park Improvements Fund to Storm Water Fund to finance the PSIP Moore Lake Filter Project.
- (7) Budgeted transfer of \$200,000 from Liquor Fund to capital equipment purchases.
- (8) Budgeted transfer of \$188,500 from Liquor Fund to General Fund.
- (9) Transfer of \$200,000 from General Fund to Street Improvements Fund to finance street projects.

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13. Fund Balance

A. Fund Balance Classifications

At December 31, 2024, a summary of the governmental fund balance classifications are as follows:

	General	Debt Service	Street Improvements	Community Investment	Park Improvements	Other Governmental	Total City	Component Unit
Nonspendable:								
Inventory	\$81,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$81,893	\$ -
Prepaid items	199,339	-	-	-	-	7,641	206,980	-
Mortgage loan receivable	-	-	-	-	-	-	-	4,339,820
Total nonspendable	281,232	-	-	-	-	7,641	288,873	4,339,820
Restricted for:								
Donations	46,281	-	-	-	-	-	46,281	-
Public safety	1,117,365	-	-	-	-	-	1,117,365	-
Debt service	-	5,504,790	-	-	-	-	5,504,790	-
Tax increment	-	-	-	-	-	-	-	9,275,897
Police forfeitures	-	-	-	-	-	80,875	80,875	-
Cable television equipment	-	-	-	-	-	129,446	129,446	-
Unspent bond proceeds	-	-	-	-	9,963,998	-	9,963,998	-
Housing and redevelopment	-	-	-	-	-	-	-	163,517
Total restricted	1,163,646	5,504,790	0	0	9,963,998	210,321	16,842,755	9,439,414
Committed to:								
Cable television programming	-	-	-	-	-	833,132	833,132	-
Recycling programs	-	-	-	-	-	118,966	118,966	-
Nature Center activities	-	-	-	-	-	250,534	250,534	-
Community investment	-	-	-	14,927,617	-	-	14,927,617	-
Police activity	-	-	-	-	-	15,455	15,455	-
Capital equipment	-	-	-	-	-	1,554,058	1,554,058	-
Housing loan program	-	-	-	-	-	-	-	1,151,714
Total committed	-	-	-	14,927,617	-	2,772,145	17,699,762	1,151,714
Assigned to:								
Capital improvements	-	-	1,515,154	-	3,529,376	2,133,633	7,178,163	-
Unassigned	12,330,070	-	-	-	-	(20,383)	12,309,687	11,821,012
Total	\$13,774,948	\$5,504,790	\$1,515,154	\$14,927,617	\$13,493,374	\$5,103,357	\$54,319,240	\$26,751,960

B. Minimum Unassigned Fund Balance Policy

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The City's policy for unassigned funds in the General Fund is equal to 35% - 50% of the following year General Fund expenditures.

At December 31, 2024, the unassigned fund balance of the General Fund was \$12,330,070 compared to its targeted unassigned fund balance of between \$8,502,655 and \$12,146,650.

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14. Tax Increment Districts

The HRA is the administering authority for the following Tax Increment Districts:

Year Established	District	District Name	Tax Capacity Values			Fiscal Disparity Adjustments	Retained By Authority
			Current	Original	Captured		
1985	6	Lake Pointe	\$1,222,090	\$326,940	\$895,150	\$ -	\$895,150
2000	17	Gateway East	65,254	3,110	62,144	-	62,144
2007	18	Gateway West	58,046	4,430	53,616	-	53,616
2007	19	Main Street	388,808	45,628	343,180	-	343,180
2013	20	TIF 20 HSS 20A	2,947,694	276,688	2,671,006	-	2,671,006
2009	21	Gateway Northeast	674,999	28,419	646,580	-	646,580
2013	22	Northstar Transit Station	2,118,102	513,177	1,604,925	-	1,604,925
2017	23	Locke Point Park	319,810	61,369	258,441	-	258,441
2018	24	Northern Stacks VIII	228,450	115,566	112,884	-	112,884
2020	25	Holly Center	717,338	70,449	646,889	-	646,889
2023	26	Moon Plaza	35,420	29,569	5,851	-	5,851
2017	HR1/V5	Housing Replacement	3,093	208	2,885	-	2,885
1995	HR1/V6	Housing Replacement	6,238	316	5,922	-	5,922
1995	HR1/V9	Housing Replacement	3,205	286	2,919	-	2,919
1995	HR1/W1	Housing Replacement	3,018	357	2,661	-	2,661
1995	HR1/W2	Housing Replacement	2,863	286	2,577	-	2,577
1995	HR1/W6	Housing Replacement	9,966	516	9,450	-	9,450
1995	HR1/W7	Housing Replacement	3,475	170	3,305	-	3,305
1995	HR1/X8	Housing Replacement	6,983	503	6,480	-	6,480
2017	HR1/X9	Housing Replacement	4,034	164	3,870	-	3,870
1995	HR1/Y1	Housing Replacement	3,322	201	3,121	-	3,121
1995	HR1/Y2	Housing Replacement	3,571	181	3,390	-	3,390
2015	HR1/Y4	Housing Replacement	3,751	328	3,423	-	3,423
2017	HR1/Y5	Housing Replacement	3,627	251	3,376	-	3,376
2020	HR1/AA5	Housing Replacement	3,599	295	3,304	-	3,304
2020	HR1/AA7	Housing Replacement	3,905	299	3,606	-	3,606
2021	HR1/BB3	Housing Replacement	4,446	547	3,899	-	3,899
2021	HR1/BB4	Housing Replacement	3,946	350	3,596	-	3,596
Totals			<u>\$8,849,053</u>	<u>\$1,480,603</u>	<u>\$7,368,450</u>	<u>\$ -</u>	<u>\$7,368,450</u>

15. Commitments and Contingencies

A. Risk Managements

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1987, the City established the Self Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is subject to a \$25,000 deductible.

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Property and casualty insurance coverage is provided through a pooled self-insurance program through LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. For property (other than vehicles for which the City is self-insured) and casualty coverage, the City has a \$75,000 deductible per occurrence with a \$150,000 annual maximum. This deductible gets paid out of the Self-Insurance Fund as necessary.

The City continues to carry commercial insurance for all other risks of loss, including employee health and disability insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

In 1990, the General Fund contributed \$1,000,000 to the Self Insurance Fund in lieu of the Self Insurance Fund charging losses back to each fund.

There is no recorded liability for unpaid claims because the amount of such claims, if any, is considered to be immaterial.

As of December 31, 2024, the Self Insurance Fund has accumulated equity in the amount of \$779,790 to cover future claims and losses.

B. Litigation

The City attorney and management has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney and management, remotely recoverable by plaintiffs.

C. Federal and State Funds

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2024.

D. Tax Increment Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

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E. Tax Abatements – Pay-As-You-Go Tax Increment

The HRA provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The HRA has seven tax increment pay-as-you-go agreements. The agreements are not a general obligation of the HRA and are payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the HRA. Details of the pay-as-you-go notes are as follows:

TIF District #6, Lake Pointe (Medtronic):

Issued in 2001 in the principal sum of \$20,000,000 with an interest rate of 6.75% per annum. Principal and interest shall be paid on August 1, 2001 and each February 1 and August 1 thereafter to and including March 1, 2026. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on March 1, 2026. The current year abatement (TIF note payments) amounted to \$670,237. At December 31, 2024, the principal amount outstanding on the note was \$20,000,000.

TIF District #19, Main Street:

Issued in 2008 in the principal sum of \$1,500,000 with an interest rate of 7.00% per annum. Principal and interest shall be paid on August 1, 2009 and each February 1 and August 1 thereafter to and including February 1, 2025. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for certain public redevelopment costs. The current year abatement (TIF note payments) amounted to \$180,937. At December 31, 2024, the principal amount outstanding on the note was \$1,392,577.

TIF District #22, Northstar – Fridley Senior Apartments

Issued in 2021 in the principal sum of \$3,204,650 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2022, and each February 1 and August 1 thereafter to and including February 1, 2043. Payments are solely from available tax increment derived from developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all increments received in the prior six months. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2043. Current year abatement (TIF note payments) amounted to \$306,752. At December 31, 2024, the balance outstanding was \$2,996,055.

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December 31, 2024

TIF District #22, Fridley Market Apartments

Issued in 2021 in the principal sum of \$2,845,250 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2022, and each February 1 and August 1 thereafter to and including February 1, 2043. Payments are solely from available tax increment derived from developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all increments received in the prior six months. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2043. Current year abatement (TIF note payments) amounted to \$272,037. At December 31, 2024, the balance outstanding was \$2,613,875.

TIF District #22, Fridley City Apartments

Issued in 2023 in the principal sum of \$1,222,750 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2023, and each February 1 and August 1 thereafter to and including February 1, 2043. Payments are solely from available tax increment derived from developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all increments received in the prior six months. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2043. Current year abatement (TIF note payments) amounted to \$72,426. At December 31, 2024, the balance outstanding was \$1,164,171.

TIF District #24, Northern Stacks Phase VIII:

Issued in 2018 in the principal sum of \$660,000 with an interest rate of 5.75% per annum. Principal and interest shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2042. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for street, utilities, right-of-way, land acquisition, and other public improvements. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2040. Current year abatement (TIF note payments) amounted to \$97,201. At December 31, 2024, the principal amount outstanding on the note was \$603,789.

TIF District #25, Roers – Holly Center:

Issued in 2023 in the principal sum of \$6,489,820 with an interest rate of 4.00% per annum. Principal and interest shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including February 1, 2049. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for street, utilities, right-of-way, land acquisition, and other public improvements. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2049. Current year abatement (TIF note payments) amounted to \$712,292. At December 31, 2024, the principal amount outstanding on the note was \$6,220,540.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

16. Conduit Debt Obligation

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2024, there are five series outstanding issued after July 1, 1995 with an aggregate principal amount payable of \$68,443,799.

17. Deficit Fund Balances

At December 31, 2024, individual funds with a deficit fund balance are as follows:

Primary government:	
Governmental Fund:	
Special Assessment	
Construction Capital Projects	(\$20,383)
Internal Service Fund:	
Employee Benefits	(\$11,466,986)
Component unit:	
Gateway Northeast	(\$1,084,420)
BAE Hazardous Sub District	(2,129,899)
Locke Point Park	(4,096,560)
Lake Pointe	(17,880)
Gateway East	(18,463)
Gateway West	(99,300)
Northern Stacks VIII	(13,274)
Moon Plaza	(4,659)

18. Contingent Receivable

In 1999, the HRA entered into an agreement with Medtronic for the sale of land from the HRA to Medtronic. The original principal amount of the receivable was \$5,000,000 and the outstanding balance at December 31, 2024 is \$2,680,536. Interest is added quarterly at a rate of 8.25%. Payments on the note receivable are made in an amount equal to 11.11% of tax increment note payments received by Medtronic through 2013, and 22.22% of tax increment note payments receivable from 2013 through 2026.

19. Commitments

At December 31, 2024, the City had project contracts in progress. The commitments related to the remaining contract balances amounted to \$2,094,953. Additionally, the City entered into contracts to purchase capital assets totaling \$2,108,576.

THE CITY OF FRIDLEY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

20. Recently Issued Accounting Standards

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 102 *Certain Risk Disclosures*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103 *Financial Reporting Model Improvements*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets*. The provisions of this Statement are effective for reporting periods beginning after June 25, 2025.

The effect these standards may have on future financial statements is not determinable at this time.

21. Subsequent Events

On May 1, 2025, Medtronic was awarded a tax abatement in tax court in the amount of \$430,446 plus \$32,838 of interest from the City. This amount will be repaid by the City, by being withheld from a future tax settlement from Anoka County.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2024

	2024		
	Budgeted Amounts		Variance with
	Original	Final	Final Budget -
			Positive
			(Negative)
Revenues:			
Taxes and special assessments:			
Current ad valorem taxes	\$14,967,600	\$14,967,600	\$14,802,394 (\$165,206)
Delinquent ad valorem taxes-net of abatements	9,800	9,800	(32,087) (41,887)
Penalties and interest	25,000	25,000	16,276 (8,724)
Special assessments	60,000	60,000	74,639 14,639
Total taxes and special assessments	15,062,400	15,062,400	14,861,222 (201,178)
Licenses and permits:			
Licenses:			
Rental	184,200	184,200	184,743 543
Business	69,900	69,900	68,580 (1,320)
All other	46,000	46,000	41,296 (4,704)
Permits	778,900	778,900	567,552 (211,348)
Total licenses and permits	1,079,000	1,079,000	862,171 (216,829)
Intergovernmental revenue:			
Federal grants	165,000	260,000	181,500 (78,500)
State maintenance aid	496,300	511,300	512,301 1,001
Local grants	933,900	1,097,400	1,101,700 4,300
Other state grants	228,000	280,000	341,001 61,001
Police and fire pension	753,000	778,000	866,383 88,383
Total intergovernmental revenue	2,576,200	2,926,700	3,002,885 76,185
Charges for services:			
General government	1,436,700	1,436,700	1,662,977 226,277
Public safety	550,600	562,600	670,229 107,629
Public works	408,900	408,900	281,216 (127,684)
Community development	238,100	238,100	205,489 (32,611)
Recreation	166,500	186,500	256,176 69,676
Total charges for services	2,800,800	2,832,800	3,076,087 243,287
Fines and forfeits	132,500	132,500	150,309 17,809
Investment income:			
Interest and dividends	225,000	225,000	482,948 257,948
Net change in the fair value of investments	-	-	127,600 127,600
Total investment income	225,000	225,000	610,548 385,548
Miscellaneous revenue:			
Insurance and other reimbursements	65,600	128,600	288,636 160,036
Gambling tax	52,200	52,200	52,238 38
Donations	9,500	9,500	52,265 42,765
Miscellaneous	94,000	125,700	141,687 15,987
Total miscellaneous revenue	221,300	316,000	534,826 218,826
Total revenues	22,097,200	22,574,400	23,098,048 523,648

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2024

	2024			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures:				
General government:				
City management:				
Mayor and council:				
Current:				
Personnel services	\$112,700	\$112,700	\$109,530	\$3,170
Supplies and other charges	99,800	99,800	73,605	26,195
Total mayor and council	212,500	212,500	183,135	29,365
City manager:				
Current:				
Personnel services	391,100	391,100	358,972	32,128
Supplies and other charges	19,700	19,700	11,354	8,346
Total city manager	410,800	410,800	370,326	40,474
Employee resources:				
Current:				
Personnel services	383,600	383,600	362,252	21,348
Supplies and other charges	66,000	66,000	61,313	4,687
Total employee resources	449,600	449,600	423,565	26,035
Legal:				
Current:				
Supplies and other charges	460,500	460,500	431,522	28,978
Elections:				
Current:				
Personnel services	100,500	100,500	64,885	35,615
Supplies and other charges	20,500	20,500	17,443	3,057
Total elections	121,000	121,000	82,328	38,672
Communications and engagement				
Current:				
Personnel services	148,400	148,400	148,221	\$179
Supplies and other charges	88,100	88,100	76,115	11,985
Total communications and engagement	236,500	236,500	224,336	12,164
City clerk/records:				
Personnel services	250,300	250,300	255,637	(5,337)
Supplies and other charges	22,300	22,300	26,970	(4,670)
Total city clerk/records	272,600	272,600	282,607	(10,007)
Total city management	2,163,500	2,163,500	1,997,819	165,681
Finance:				
Accounting:				
Current:				
Personnel services	718,100	718,100	708,370	9,730
Supplies and other charges	101,100	101,100	95,703	5,397
Total accounting	819,200	819,200	804,073	15,127
Assessing:				
Current:				
Personnel services	309,300	309,300	305,398	3,902
Supplies and other charges	39,900	39,900	18,604	21,296
Total assessing	349,200	349,200	324,002	25,198
Information Technology:				
Current:				
Personnel services	353,700	353,700	359,224	(5,524)
Supplies and other charges	288,100	288,100	256,034	32,066
Capital outlay	-	-	299,837	(299,837)
Total Information Technology	641,800	641,800	915,095	(273,295)
Total finance	1,810,200	1,810,200	2,043,170	(232,970)
Nondepartmental:				
Current:				
Supplies and other charges	29,200	29,200	202,050	(172,850)
Total nondepartmental	29,200	29,200	202,050	(172,850)

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2024

	2024			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures: (continued)				
General government: (continued)				
Facilities management:				
Current:				
Personnel services	\$327,100	\$327,100	\$326,127	\$973
Supplies and other charges	500,400	500,400	485,679	14,721
Total facilities management	827,500	827,500	811,806	15,694
Total general government	4,830,400	4,830,400	5,054,845	(224,445)
Public safety:				
Police:				
Police protection:				
Current:				
Personnel services	8,069,600	8,100,600	8,184,289	(83,689)
Supplies and other charges	765,500	860,500	852,041	8,459
Total police protection	8,835,100	8,961,100	9,036,330	(75,230)
Emergency management:				
Current:				
Supplies and other charges	14,700	14,700	14,006	694
Total police	8,849,800	8,975,800	9,050,336	(74,536)
Fire:				
Fire protection:				
Current:				
Personnel services	1,460,000	1,517,000	1,436,619	80,381
Supplies and other charges	523,500	572,500	551,707	20,793
Total fire protection	1,983,500	2,089,500	1,988,326	101,174
Rental inspections:				
Current:				
Personnel services	262,500	274,500	272,742	1,758
Supplies and other charges	30,600	30,600	25,962	4,638
Total rental inspections	293,100	305,100	298,704	6,396
Total public safety	11,126,400	11,370,400	11,337,366	33,034
Public works:				
Engineering:				
Current:				
Personnel services	457,800	457,800	374,656	83,144
Supplies and other charges	53,400	53,400	114,416	(61,016)
Total engineering	511,200	511,200	489,072	22,128
Lighting:				
Current:				
Personnel services	19,100	19,100	19,004	96
Supplies and other charges	258,000	258,000	211,728	46,272
Total lighting	277,100	277,100	230,732	46,368

CITY OF FRIDLEY, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2024

	2024			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures: (continued)				
Park maintenance:				
Current:				
Personnel services	\$914,800	\$914,800	\$945,306	(\$30,506)
Supplies and other charges	242,500	242,500	250,785	(8,285)
Total park maintenance	1,157,300	1,157,300	1,196,091	(38,791)
Street:				
Current:				
Personnel services	993,900	993,900	978,880	15,020
Supplies and other charges	609,400	472,700	372,448	100,252
Total street	1,603,300	1,466,600	1,351,328	115,272
Fleet services:				
Current:				
Personnel services	441,800	441,800	440,433	1,367
Supplies and other charges	51,600	51,600	68,924	(17,324)
Total garage	493,400	493,400	509,357	(15,957)
Forestry:				
Current:				
Supplies and other charges	84,900	97,900	155,413	(57,513)
Total forestry	84,900	97,900	155,413	(57,513)
Total public works	4,127,200	4,003,500	3,931,993	71,507
Community development:				
Building inspection:				
Current:				
Personnel services	363,500	363,500	371,819	(8,319)
Supplies and other charges	178,800	185,500	114,167	71,333
Total building inspection	542,300	549,000	485,986	63,014
Planning:				
Current:				
Personnel services	774,100	774,100	708,986	65,114
Supplies and other charges	189,900	204,900	173,620	31,280
Total planning	964,000	979,000	882,606	96,394
Total community development	1,506,300	1,528,000	1,368,592	159,408
Parks and recreation:				
Current:				
Personnel services	723,900	743,900	706,063	37,837
Supplies and other charges	217,700	217,700	193,182	24,518
Total parks and recreation	941,600	961,600	899,245	62,355
Debt service:				
Principal	98,000	98,000	97,675	325
Interest and other charges	9,800	9,800	9,830	(30)
Total debt services	107,800	107,800	107,505	295
Total expenditures	22,639,700	22,801,700	22,699,546	102,154
Excess (deficiency) of revenues over (under) expenditures	(542,500)	(227,300)	398,502	421,494
Other financing sources (uses):				
Subscription-based IT arrangements issued	-	-	299,837	299,837
Transfers in	542,500	542,500	542,500	-
Transfers out	-	(315,200)	(351,700)	(36,500)
Total other financing sources	542,500	227,300	490,637	263,337
Net change in fund balance	\$ -	\$ -	889,139	\$684,831
Fund balance - January 1			12,885,809	
Fund balance - December 31			\$13,774,948	

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service cost	\$ 39,900	\$ 37,191	\$ 41,774	\$ 40,554	\$ 29,976	\$ 24,817	\$ 30,073
Interest cost	79,336	31,042	30,625	46,853	53,743	36,281	14,035
Addition of disabled police officers	-	-	-	-	-	-	659,344
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	618,668	828,652	-	(272,762)	-	345,222	-
Changes in assumptions	102,388	(403,871)	-	142,709	149,391	(61,029)	-
Benefit payments	(74,542)	(54,737)	(39,292)	(46,423)	(38,283)	(32,982)	(15,301)
Net change in total OPEB liability	765,750	438,277	33,107	(89,069)	194,827	312,309	688,151
Total OPEB liability - beginning	1,980,420	1,542,143	1,509,036	1,598,105	1,403,278	1,090,969	402,818
Total OPEB liability - ending	<u>\$ 2,746,170</u>	<u>\$ 1,980,420</u>	<u>\$ 1,542,143</u>	<u>\$ 1,509,036</u>	<u>\$ 1,598,105</u>	<u>\$ 1,403,278</u>	<u>\$ 1,090,969</u>
Covered-employee payroll	\$12,943,382	\$12,650,589	\$11,843,778	\$11,498,814	\$10,759,599	\$10,446,213	\$10,037,870
Total OPEB liability as a percentage of covered-employee payroll	21.2%	15.7%	13.0%	13.1%	14.9%	13.4%	10.9%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
GENERAL EMPLOYEES RETIREMENT FUND
Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.1004%	\$5,203,249	\$ -	\$5,203,249	\$5,903,611	88.1%	78.2%
2016	2016	0.1018%	8,265,655	107,922	8,373,577	6,281,307	133.3%	68.9%
2017	2017	0.0979%	6,249,871	78,569	6,328,440	6,269,774	100.9%	75.9%
2018	2018	0.0976%	5,414,448	177,601	5,592,049	6,461,494	86.5%	79.5%
2019	2019	0.0919%	5,080,945	157,993	5,238,938	6,505,506	80.5%	80.2%
2020	2020	0.0946%	5,671,702	174,864	5,846,566	6,747,539	86.6%	79.1%
2021	2021	0.0987%	4,214,932	128,697	4,343,629	7,107,615	61.1%	87.0%
2022	2022	0.0982%	7,777,472	228,060	8,005,532	7,353,484	108.9%	76.7%
2023	2023	0.1007%	5,631,031	155,264	5,786,295	8,009,849	72.2%	83.1%
2024	2024	0.1010%	3,735,374	96,589	3,831,963	8,551,540	44.8%	89.1%

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
Last Ten Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$466,069	\$466,069	\$ -	\$6,214,253	7.5%
December 31, 2016	458,639	458,639	-	6,115,187	7.5%
December 31, 2017	479,410	479,410	-	6,392,134	7.5%
December 31, 2018	480,597	480,597	-	6,407,960	7.5%
December 31, 2019	495,872	495,872	-	6,611,626	7.5%
December 31, 2020	525,081	525,081	-	7,001,082	7.5%
December 31, 2021	541,932	541,932	-	7,225,769	7.5%
December 31, 2022	569,464	569,464	-	7,592,844	7.5%
December 31, 2023	625,623	625,623	-	8,341,627	7.5%
December 31, 2024	650,735	650,735	-	8,676,459	7.5%

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.4170%	\$4,738,096	\$ -	\$4,738,096	\$3,821,428	124.0%	86.6%
2016	2016	0.4050%	16,253,355	-	16,253,355	3,898,494	416.9%	63.9%
2017	2017	0.3710%	5,008,941	-	5,008,941	3,812,191	131.4%	85.4%
2018	2018	0.4185%	4,460,779	-	4,460,779	4,265,364	104.6%	88.8%
2019	2019	0.4147%	4,414,900	-	4,414,900	4,373,847	100.9%	89.3%
2020	2020	0.4043%	5,329,107	125,537	5,454,644	4,560,658	119.6%	87.2%
2021	2021	0.3895%	3,006,527	135,161	3,141,688	4,603,126	68.3%	93.7%
2022	2022	0.4048%	17,615,297	769,563	18,384,860	4,917,823	373.8%	70.5%
2023	2023	0.3983%	6,878,123	277,026	7,155,149	5,230,355	136.8%	86.5%
2024	2024	0.3964%	5,214,819	198,787	5,413,606	5,488,844	98.6%	90.2%

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND
Last Ten Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$644,283	\$644,283	\$ -	\$3,977,056	16.20%
December 31, 2016	606,767	606,767	-	3,745,475	16.20%
December 31, 2017	653,014	653,014	-	4,030,951	16.20%
December 31, 2018	700,029	700,029	-	4,321,166	16.20%
December 31, 2019	751,753	751,753	-	4,435,121	16.95%
December 31, 2020	807,829	807,829	-	4,564,003	17.70%
December 31, 2021	839,373	839,373	-	4,742,218	17.70%
December 31, 2022	903,357	903,357	-	5,103,712	17.70%
December 31, 2023	946,028	946,028	-	5,344,791	17.70%
December 31, 2024	1,013,765	1,013,765	-	5,727,477	17.70%

See accompanying notes to the required supplementary information.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2024

A. LEGAL COMPLIANCE – BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the expenditure category level.

B. OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2024 Changes

- No benefit changes.
- The discount rate was changed from 4.00% to 3.70%.

2023 Changes

- No benefit changes.
- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.
- These changes decreased the liability \$403,871.

2022 Changes

- No benefit changes.
- No assumptions changes.

2021 Changes

- No benefit changes.
- The discount rate was changed from 2.90% to 2.00%.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale to Pub-2010 Public retirement Plans Headcount – Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale.

2020 Changes

- No benefit changes.
- The discount rate was changed from 3.80% to 2.90%.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2024

2019 Changes

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for Police and Fire Personnel were updated.
- The discount rate was changed from 3.30% to 3.80%.

C. PENSION INFORMATION

PERA – General Employees Retirement Fund

2024 Changes in Actuarial Assumptions

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

2023 Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2024

2020 Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018

Changes in the Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017 Changes in Actuarial Assumptions

- The Combined Service Annuity (CSA) loads were changed from 0.8 % for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2024

PERA – Public Employees Police and Fire Fund

2024 Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%

2023 Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes in Actuarial Assumptions

- The single discount rate changed from 6.50% to 5.4%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49.
Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

CITY OF FRIDLEY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2024

2020 Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018

2019 Changes in the Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

2017 Changes in Actuarial Assumptions

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 % lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.



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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES**



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SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute or local ordinance and/or resolution to finance particular functions, activities or governments.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the resources expended to acquire permanent or long-term assets.

CITY OF FRIDLEY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>			
Cash and investments	\$1,301,104	\$3,349,440	\$4,650,544
Receivables:			
Accounts	96,190	-	96,190
Taxes	12,097	820	12,917
Special assessments	-	68,940	68,940
Due from other governments	126,764	40,165	166,929
Due from component unit	-	420,365	420,365
Prepays	1,080	6,561	7,641
	<u>1,080</u>	<u>6,561</u>	<u>7,641</u>
Total assets	<u>\$1,537,235</u>	<u>\$3,886,291</u>	<u>\$5,423,526</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>			
Liabilities:			
Accounts payable	\$49,155	\$5,299	\$54,454
Due to other funds	15,821	20,383	36,204
Deposits payable	1,550	-	1,550
Due to other governments	381	116,980	117,361
Salaries payable	34,340	-	34,340
Total liabilities	<u>101,247</u>	<u>142,662</u>	<u>243,909</u>
Deferred inflows of resources:			
Unavailable revenue	6,500	69,760	76,260
	<u>6,500</u>	<u>69,760</u>	<u>76,260</u>
Fund balance:			
Nonspendable	1,080	6,561	7,641
Restricted	210,321	-	210,321
Committed	1,218,087	1,554,058	2,772,145
Assigned	-	2,133,633	2,133,633
Unassigned	-	(20,383)	(20,383)
Total fund balance	<u>1,429,488</u>	<u>3,673,869</u>	<u>5,103,357</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$1,537,235</u>	<u>\$3,886,291</u>	<u>\$5,423,526</u>

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2024

	Special Revenue	Capital Project	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$534,145	\$79,900	\$614,045
Special assessments	-	66,621	66,621
Licenses and permits	191,121	-	191,121
Intergovernmental revenue	126,641	1,235,000	1,361,641
Charges for services	672,257	2,500	674,757
Reimbursements	211,489	-	211,489
Fines and forfeits	15,315	-	15,315
Investment income (loss)	136,146	155,824	291,970
Contributions and donations	17,333	-	17,333
Miscellaneous	2,195	22,188	24,383
Total revenues	<u>1,906,642</u>	<u>1,562,033</u>	<u>3,468,675</u>
Expenditures:			
Current:			
General government	873,407	263,697	1,137,104
Public safety	274,142	99,128	373,270
Public works	-	54,392	54,392
Parks and recreation	749,707	-	749,707
Community development	-	7,783	7,783
Capital outlay	64,887	2,861,208	2,926,095
Debt service:			
Principal	56,313	359,847	416,160
Interest and other charges	1,224	64,011	65,235
Total expenditures	<u>2,019,680</u>	<u>3,710,066</u>	<u>5,729,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(113,038)</u>	<u>(2,148,033)</u>	<u>(2,261,071)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	231,673	231,673
Subscription-based IT arrangements issued	64,887	194,248	259,135
Lease issuance	-	634,913	634,913
Transfers in	-	200,000	200,000
Transfers out	(147,707)	-	(147,707)
Total other financing sources (uses)	<u>(82,820)</u>	<u>1,260,834</u>	<u>1,178,014</u>
Net change in fund balance	<u>(195,858)</u>	<u>(887,199)</u>	<u>(1,083,057)</u>
Fund balance - January 1, as previously presented	1,555,086	4,561,068	6,116,154
Change within financial reporting entity (major to nonmajor)	70,260	-	70,260
Fund balance - January 1, as adjusted	1,625,346	4,561,068	6,186,414
Fund balance - December 31	<u>\$1,429,488</u>	<u>\$3,673,869</u>	<u>\$5,103,357</u>



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NONMAJOR GOVERNMENTAL FUNDS



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NONMAJOR SPECIAL REVENUE FUNDS

Cable TV Fund - This fund receives revenues from the issuance of a franchise agreement with the cable TV provider. These revenues are used for the operation and maintenance of a government access channel.

Solid Waste Abatement Fund - This fund receives grants, recycling fees and yard waste fees. These revenues finance the City's curbside recycling pickup and operation of the yard waste transfer site.

Drug and Gambling Forfeiture Fund - This fund receives forfeited property in connection with illegal gambling or drug activity. Pursuant to Minnesota Statutes, the proceeds are disbursed between the investigating agency and the prosecuting agency.

Police Activity Fund - This fund is used to track the revenue and expenditures of externally funded police positions.

Springbrook Nature Center Fund - This fund was established in 2005 after a \$275,000 referendum supporting the Springbrook Nature Center was approved by the voters in November of 2004. The revenues from the annual levy are used for the on-going operation of the nature center and the capital improvement projects required in the park.

CARES/ARPA Fund – This fund was used to account for monies received as a result of the pandemic.

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2024

<u>Assets</u>	<u>Cable TV</u>	<u>Solid Waste Abatement</u>	<u>Drug and Gambling Forfeiture</u>	<u>Police Activity</u>	<u>Springbrook Nature Center</u>	Totals Nonmajor Special Revenue Funds
Cash and investments	\$916,016	\$40,229	\$80,257	\$ -	\$264,602	\$1,301,104
Receivables:						
Accounts	54,512	40,653	675	-	350	96,190
Taxes	-	-	-	-	12,097	12,097
Due from other governments	-	77,323	-	38,537	10,904	126,764
Prepays	-	-	-	1,080	-	1,080
Total assets	<u>\$970,528</u>	<u>\$158,205</u>	<u>\$80,932</u>	<u>\$39,617</u>	<u>\$287,953</u>	<u>\$1,537,235</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>						
Liabilities:						
Accounts payable	\$4,374	\$37,138	\$ -	\$272	\$7,371	\$49,155
Due to other funds	-	-	-	15,821	-	15,821
Deposits payable	-	-	-	-	1,550	1,550
Due to other governments	-	-	57	-	324	381
Salaries payable	3,576	2,101	-	6,989	21,674	34,340
Total liabilities	<u>7,950</u>	<u>39,239</u>	<u>57</u>	<u>23,082</u>	<u>30,919</u>	<u>101,247</u>
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	6,500	6,500
Fund balance:						
Nonspendable	-	-	-	1,080	-	1,080
Restricted	129,446	-	80,875	-	-	210,321
Committed	833,132	118,966	-	15,455	250,534	1,218,087
Total fund balance	<u>962,578</u>	<u>118,966</u>	<u>80,875</u>	<u>16,535</u>	<u>250,534</u>	<u>1,429,488</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$970,528</u>	<u>\$158,205</u>	<u>\$80,932</u>	<u>\$39,617</u>	<u>\$287,953</u>	<u>\$1,537,235</u>

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2024

	Cable TV	Solid Waste Abatement	Drug and Gambling Forfeiture	Police Activity	Springbrook Nature Center	CARES/ARPA	Totals Nonmajor Special Revenue Funds
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$534,145	\$ -	\$534,145
Licenses and permits	191,121	-	-	-	-	-	191,121
Intergovernmental revenue	-	126,641	-	-	-	-	126,641
Charges for services	38,224	418,991	-	-	215,042	-	672,257
Reimbursements	-	-	-	211,489	-	-	211,489
Fines and forfeits	-	-	15,315	-	-	-	15,315
Investment income (loss)	47,301	2,492	-	-	8,906	77,447	136,146
Contributions and donations	-	-	-	-	17,333	-	17,333
Miscellaneous	-	2,165	-	-	30	-	2,195
Total revenues	276,646	550,289	15,315	211,489	775,456	77,447	1,906,642
Expenditures:							
Current:							
General government	344,854	528,553	-	-	-	-	873,407
Public safety	-	-	70,651	203,491	-	-	274,142
Parks and recreation	-	-	-	-	749,707	-	749,707
Capital Outlay	64,887	-	-	-	-	-	64,887
Debt service:							
Principal	56,313	-	-	-	-	-	56,313
Interest and other charges	1,224	-	-	-	-	-	1,224
Total expenditures	467,278	528,553	70,651	203,491	749,707	-	2,019,680
Excess (deficiency) of revenues over (under) expenditures	(190,632)	21,736	(55,336)	7,998	25,749	77,447	(113,038)
Other financing sources (uses):							
Subscription-based IT arrangements issued	64,887	-	-	-	-	-	64,887
Transfers out	-	-	-	-	-	(147,707)	(147,707)
Total other financing sources (uses)	64,887	-	-	-	-	(147,707)	(82,820)
Net change in fund balance	(125,745)	21,736	(55,336)	7,998	25,749	(70,260)	(195,858)
Fund balance - January 1, as previously presented	1,088,323	97,230	136,211	8,537	224,785	-	1,555,086
Change within financial reporting entity (major to nonmajor)	-	-	-	-	-	70,260	70,260
Fund balance - January 1, as adjusted	1,088,323	97,230	136,211	8,537	224,785	70,260	1,625,346
Fund balance - December 31	\$962,578	\$118,966	\$80,875	\$16,535	\$250,534	\$0	\$1,429,488



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NONMAJOR CAPITAL PROJECT FUNDS

Special Assessment Construction Capital Projects Fund – This fund was established to account for the construction of public improvements, such as residential streets, sidewalks, and storm sewers or for the provision of services that are to be paid primarily by the benefited property owner.

Building Improvements Fund – This fund is used to account for capital improvements and purchases.

Information System Improvement Fund – This fund was established to account for the purchase of new equipment and replacement equipment such as computers, local area and wide area network equipment, printers, peripheral devices, telecommunications improvements, copiers and software.

Capital Equipment Fund – This fund is used to account for the purchase and repair of major capital equipment.

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2024

<u>Assets</u>	Special Assessment Construction Capital Projects	Building Improvements	Information System Improvement	Capital Equipment	Totals Nonmajor Capital Project Funds
Cash and investments	\$ -	\$1,476,924	\$236,179	\$1,636,337	\$3,349,440
Receivables:					
Taxes	820	-	-	-	820
Special assessments	68,940	-	-	-	68,940
Due from other governments	-	165	-	40,000	40,165
Due from component unit	-	420,365	-	-	420,365
Prepays	-	-	6,561	-	6,561
Total assets	<u>\$69,760</u>	<u>\$1,897,454</u>	<u>\$242,740</u>	<u>\$1,676,337</u>	<u>\$3,886,291</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$5,299	\$5,299
Due to other funds	20,383	-	-	-	20,383
Due to other governments	-	-	-	116,980	116,980
Total liabilities	<u>20,383</u>	<u>-</u>	<u>-</u>	<u>122,279</u>	<u>142,662</u>
Deferred inflows of resources:					
Unavailable revenue	<u>69,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,760</u>
Fund balance:					
Nonspendable	-	-	6,561	-	6,561
Committed	-	-	-	1,554,058	1,554,058
Assigned	-	1,897,454	236,179	-	2,133,633
Unassigned	(20,383)	-	-	-	(20,383)
Total fund balance	<u>(20,383)</u>	<u>1,897,454</u>	<u>242,740</u>	<u>1,554,058</u>	<u>3,673,869</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$69,760</u>	<u>\$1,897,454</u>	<u>\$242,740</u>	<u>\$1,676,337</u>	<u>\$3,886,291</u>

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2024

	Special Assessment Construction Capital Projects	Building Improvements	Information System Improvement	Capital Equipment	Totals Nonmajor Capital Project Funds
Revenues:					
Taxes	\$ -	\$ -	\$79,900	\$ -	\$79,900
Special assessments	66,621	-	-	-	66,621
Intergovernmental revenue	-	-	305,000	930,000	1,235,000
Charges for services	-	-	2,500	-	2,500
Investment income (loss)	-	68,677	4,646	82,501	155,824
Miscellaneous	-	17,399	-	4,789	22,188
Total revenues	<u>66,621</u>	<u>86,076</u>	<u>392,046</u>	<u>1,017,290</u>	<u>1,562,033</u>
Expenditures:					
Current:					
General government	98,745	2,298	160,838	1,816	263,697
Public safety	-	-	-	99,128	99,128
Public works	-	-	-	54,392	54,392
Parks and recreation	-	-	-	-	-
Community development	-	-	-	7,783	7,783
Debt Service:					
Principal	-	-	143,972	215,875	359,847
Interest and other charges	-	-	-	64,011	64,011
Capital outlay	-	12,600	372,653	2,475,955	2,861,208
Total expenditures	<u>98,745</u>	<u>14,898</u>	<u>677,463</u>	<u>2,918,960</u>	<u>3,710,066</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,124)</u>	<u>71,178</u>	<u>(285,417)</u>	<u>(1,901,670)</u>	<u>(2,148,033)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	231,673	231,673
Subscription-based IT arrangements issued	-	-	194,248	-	194,248
Lease issuance	-	-	-	634,913	634,913
Transfers in	-	-	-	200,000	200,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>194,248</u>	<u>1,066,586</u>	<u>1,260,834</u>
Net change in fund balance	<u>(32,124)</u>	<u>71,178</u>	<u>(91,169)</u>	<u>(835,084)</u>	<u>(887,199)</u>
Fund balance - January 1	<u>11,741</u>	<u>1,826,276</u>	<u>333,909</u>	<u>2,389,142</u>	<u>4,561,068</u>
Fund balance - December 31	<u><u>(\$20,383)</u></u>	<u><u>\$1,897,454</u></u>	<u><u>\$242,740</u></u>	<u><u>\$1,554,058</u></u>	<u><u>\$3,673,869</u></u>



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**INDIVIDUAL BUDGET TO ACTUAL STATEMENTS
SPECIAL REVENUE FUNDS**

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - CABLE TV FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Licenses - franchise fee	\$230,000	\$230,000	\$191,121
Charges for services	77,600	77,600	38,224
Investment income:			
Interest and dividends	15,000	15,000	35,194
Net change in the fair value of investments	-	-	12,107
Total revenues	<u>322,600</u>	<u>322,600</u>	<u>276,646</u>
Expenditures:			
Current:			
General government:			
Personal services	204,600	204,600	175,417
Supplies and other charges	239,900	239,900	169,437
Capital Outlay	-	-	64,887
Debt service:			
Principal	56,000	56,000	56,313
Interest and other charges	1,200	1,200	1,224
Total expenditures	<u>501,700</u>	<u>501,700</u>	<u>467,278</u>
Excess (deficiency) of revenues over (under) expenditures	(179,100)	(179,100)	(190,632)
Other financing sources (uses):			
Subscription-based IT arrangements issued	-	-	64,887
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>64,887</u>
Net change in fund balance	<u>(\$179,100)</u>	<u>(\$179,100)</u>	(125,745)
Fund balance - January 1			<u>1,088,323</u>
Fund balance - December 31			<u>\$962,578</u>

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - SOLID WASTE ABATEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Intergovernmental revenue:			
State	\$126,800	\$126,800	\$126,641
Charges for services	411,500	411,500	418,991
Investment income:			
Interest and dividends	700	700	1,929
Net change in the fair value of investments	-	-	563
Miscellaneous	1,500	1,500	2,165
Total revenues	<u>540,500</u>	<u>540,500</u>	<u>550,289</u>
Expenditures:			
Current:			
General government:			
Personal services	57,800	57,800	56,833
Supplies and other charges	481,200	481,200	471,720
Total expenditures	<u>539,000</u>	<u>539,000</u>	<u>528,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$1,500</u>	<u>\$1,500</u>	21,736
Fund balance - January 1			<u>97,230</u>
Fund balance - December 31			<u>\$118,966</u>

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - POLICE ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Charges for services	\$226,000	\$226,000	\$211,489
Expenditures:			
Public safety:			
Personal services	168,400	168,400	168,915
Supplies and other charges	55,100	55,100	34,576
Total expenditures	223,500	223,500	203,491
Excess (deficiency) of revenues over (under) expenditures	\$2,500	\$2,500	7,998
Fund balance - January 1			8,537
Fund balance - December 31			\$16,535

CITY OF FRIDLEY, MINNESOTA
SPECIAL REVENUE FUND - SPRINGBROOK NATURE CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Taxes	\$538,200	\$538,200	\$534,145
Charges for service	207,400	207,400	215,042
Investment income:			
Interest and dividends	2,400	2,400	6,655
Net change in the fair value of investments	-	-	2,251
Contributions and donations	20,000	20,000	17,333
Miscellaneous	1,500	1,500	30
Total revenues	<u>769,500</u>	<u>769,500</u>	<u>775,456</u>
Expenditures:			
Current:			
Parks, recreation and naturalist			
Personal services	616,300	616,300	613,917
Supplies and other charges	132,800	132,800	135,790
Total expenditures	<u>749,100</u>	<u>749,100</u>	<u>749,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$20,400</u>	<u>\$20,400</u>	25,749
Fund balance - January 1			<u>224,785</u>
Fund balance - December 31			<u>\$250,534</u>



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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for goods and services that are provided on a cost reimbursement or fee basis to departments or agencies within the City. These funds are essential for segregating costs for determining the total cost of providing a service and for assuring that the goods and services provided are properly utilized. These funds are accounted for on a capital maintenance measurement focus and use the accrual basis of accounting.

Employee Benefits Fund – This fund is used to account for the expenses associated with providing fringe and pension benefits for employees.

Self Insurance Fund – This fund is used to account for all revenues and expenses associated with the \$50,000 deductible in the City's general liability policy.

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2024

	Employee Benefits	Self Insurance	Total
Assets:			
Cash and investments	\$1,918,005	\$780,402	\$2,698,407
Accounts receivable	-	740	740
Total assets	<u>1,918,005</u>	<u>781,142</u>	<u>2,699,147</u>
Deferred outflows of resources:			
Pension related	<u>9,104,873</u>	<u>-</u>	<u>9,104,873</u>
Liabilities:			
Current liabilities:			
Accounts payable	-	1,352	1,352
Payroll deductions payable	142,189	-	142,189
Compensated absences payable - current portion	962,284	-	962,284
Total current liabilities	<u>1,104,473</u>	<u>1,352</u>	<u>1,105,825</u>
Noncurrent liabilities:			
Compensated absences payable - long-term portion	408,958	-	408,958
Net pension liability	8,950,193	-	8,950,193
Total noncurrent liabilities	<u>9,359,151</u>	<u>-</u>	<u>9,359,151</u>
Total liabilities	<u>10,463,624</u>	<u>1,352</u>	<u>10,464,976</u>
Deferred inflows of resources:			
Pension related	<u>12,026,240</u>	<u>-</u>	<u>12,026,240</u>
Net position:			
Unrestricted	(11,466,986)	779,790	(10,687,196)
Total net position	<u>(\$11,466,986)</u>	<u>\$779,790</u>	<u>(\$10,687,196)</u>

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2024

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Total</u>
Operating revenues:			
Charges for services	<u>\$1,751,223</u>	<u>\$278,600</u>	<u>\$2,029,823</u>
Operating expenses:			
Personal services	1,431,120	-	1,431,120
Supplies and other charges	2,908	364,118	367,026
Total operating expenses	<u>1,434,028</u>	<u>364,118</u>	<u>1,798,146</u>
Operating income (loss)	<u>317,195</u>	<u>(85,518)</u>	<u>231,677</u>
Nonoperating revenues:			
Investment income (loss)	85,961	37,242	123,203
Intergovernmental	306,265	-	306,265
Insurance reimbursement	-	12,032	12,032
Total nonoperating revenues	<u>392,226</u>	<u>49,274</u>	<u>441,500</u>
Change in net position	709,421	(36,244)	673,177
Net position - January 1	<u>(12,176,407)</u>	<u>816,034</u>	<u>(11,360,373)</u>
Net position - December 31	<u>(\$11,466,986)</u>	<u>\$779,790</u>	<u>(\$10,687,196)</u>

CITY OF FRIDLEY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2024

	Employee Benefits	Self Insurance	Total
Cash flows from operating activities:			
Receipts from interfund services provided	\$1,751,223	\$281,740	\$2,032,963
Payment to suppliers	(2,908)	(386,450)	(389,358)
Payment to employees	(1,971,068)	-	(1,971,068)
Net cash flows from operating activities	(222,753)	(104,710)	(327,463)
Cash flows from noncapital financing activities:			
Intergovernmental revenue	306,265	-	306,265
Cash flows from capital and related financing activities:			
Insurance reimbursement	-	12,032	12,032
Cash flows from investing activities:			
Investment income	85,961	37,242	123,203
Net increase (decrease) in cash and cash equivalents	169,473	(55,436)	114,037
Cash and cash equivalents - January 1	1,748,532	835,838	2,584,370
Cash and cash equivalents - December 31	\$1,918,005	\$780,402	\$2,698,407
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$317,195	(\$85,518)	\$231,677
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in receivables	-	3,140	3,140
Decrease (increase) in deferred outflows of resources	2,909,393	-	2,909,393
Increase (decrease) in payables	(3,472,541)	(22,332)	(3,494,873)
Increase (decrease) in deferred inflows of resources	23,200	-	23,200
Total adjustments	(539,948)	(19,192)	(559,140)
Net cash provided by operating activities	(\$222,753)	(\$104,710)	(\$327,463)

**HOUSING AND REDEVELOPMENT AUTHORITY
COMPONENT UNIT**

CITY OF FRIDLEY, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
December 31, 2024

	General	Housing Loan	Gateway Northeast	BAE Northern Stacks
Assets				
Cash and investments	\$12,148,123	\$641,367	\$16,526	\$4,217,191
Receivables:				
Accounts	722,463	-	-	-
Note	400,000	-	-	-
Taxes	17,771	-	-	6,471
Mortgage:				
Deferred	-	4,339,820	-	-
Interest	99,810	-	-	-
Due from other funds	7,479,055	-	-	-
Land held for resale	621,120	-	-	-
Total assets	<u>\$21,488,342</u>	<u>\$4,981,187</u>	<u>\$16,526</u>	<u>\$4,223,662</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$1,663	\$73,750	\$ -	\$ -
Due to other governments	22	-	-	-
Due to primary government	423,713	-	-	-
Due to other funds	-	-	1,100,946	-
Total liabilities	<u>425,398</u>	<u>73,750</u>	<u>1,100,946</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue	<u>1,029,863</u>	<u>-</u>	<u>-</u>	<u>64</u>
Fund balance (deficit):				
Nonspendable	-	4,339,820	-	-
Restricted	-	163,517	-	4,223,598
Committed	747,614	404,100	-	-
Unassigned	19,285,467	-	(1,084,420)	-
Total fund balance (deficit)	<u>20,033,081</u>	<u>4,907,437</u>	<u>(1,084,420)</u>	<u>4,223,598</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$21,488,342</u>	<u>\$4,981,187</u>	<u>\$16,526</u>	<u>\$4,223,662</u>

BAE Hazardous Sub District	Locke Point Park	Lake Pointe	Northstar Transit Station	Holly Center	Other Governmental Funds	Intra - Activity Eliminations	Totals Governmental Funds
\$4,197	\$1,085	\$338,542	\$4,420,358	\$431,928	\$979,093	\$ -	\$23,198,410
-	-	-	-	-	-	-	722,463
-	-	-	-	-	-	-	400,000
-	2,604	-	32,060	17	6,143	-	65,066
-	-	-	-	-	-	-	4,339,820
-	-	-	-	-	-	-	99,810
-	-	-	-	-	-	(7,479,055)	-
-	-	-	-	-	83,660	-	704,780
<u>\$4,197</u>	<u>\$3,689</u>	<u>\$338,542</u>	<u>\$4,452,418</u>	<u>\$431,945</u>	<u>\$1,068,896</u>	<u>(\$7,479,055)</u>	<u>\$29,530,349</u>
\$ -	\$ -	\$335,119	\$325,423	\$355,355	\$139,070	\$ -	\$1,230,380
4,527	-	-	-	-	-	-	4,549
-	-	-	-	-	-	-	423,713
2,129,569	4,100,249	21,303	-	-	126,988	(7,479,055)	-
<u>2,134,096</u>	<u>4,100,249</u>	<u>356,422</u>	<u>325,423</u>	<u>355,355</u>	<u>266,058</u>	<u>(7,479,055)</u>	<u>1,658,642</u>
-	-	-	-	17	89,803	-	1,119,747
-	-	-	-	-	-	-	4,339,820
-	-	-	4,126,995	76,573	848,731	-	9,439,414
-	-	-	-	-	-	-	1,151,714
(2,129,899)	(4,096,560)	(17,880)	-	-	(135,696)	-	11,821,012
<u>(2,129,899)</u>	<u>(4,096,560)</u>	<u>(17,880)</u>	<u>4,126,995</u>	<u>76,573</u>	<u>713,035</u>	<u>-</u>	<u>26,751,960</u>
<u>\$4,197</u>	<u>\$3,689</u>	<u>\$338,542</u>	<u>\$4,452,418</u>	<u>\$431,945</u>	<u>\$1,068,896</u>	<u>(\$7,479,055)</u>	<u>\$29,530,349</u>
Fund balance reported above							\$26,751,960
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds							1,011,755
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue							1,119,747
Net position of governmental activities							<u>\$28,883,462</u>

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
For The Year Ended December 31, 2024

	General	Housing Loan	Gateway Northeast	BAE Northern Stacks
Revenues:				
Tax increment	\$ -	\$ -	\$846,564	\$2,744,025
Property taxes	161,729	581,193	-	-
Intergovernmental revenue	50,000	-	-	-
Investment income (loss)	392,458	7,880	9,431	108,383
Mortgage interest earnings	-	61,521	-	-
Interfund and other loan interest earnings	349,632	-	-	-
Payments from primary government	-	163,517	-	-
Miscellaneous	16,768	-	-	-
Total revenues	970,587	814,111	855,995	2,852,408
Expenditures:				
Supplies and other charges	657,485	116,747	1,945	2,846
Developer assistance	50,000	54,088	-	-
Interest expense	17,399	-	74,904	-
Payments to primary government	200,000	-	-	1,132,288
Total expenditures	924,884	170,835	76,849	1,135,134
Excess (deficiency of revenues over (under expenditures)	45,703	643,276	779,146	1,717,274
Other financing sources (uses):				
Sale of real estate	148,927	-	-	-
Transfers in	-	735,659	-	-
Transfers out	-	-	-	(735,659)
Total other financing sources (uses)	148,927	735,659	-	(735,659)
Net change in fund balance	194,630	1,378,935	779,146	981,615
Fund balance (deficit) - January 1	19,838,451	3,528,502	(1,863,566)	3,241,983
Fund balance (deficit) - December 31	\$20,033,081	\$4,907,437	(\$1,084,420)	\$4,223,598

BAE Hazardous Sub District	Locke Point Park	Lake Pointe	Northstar Transit Station	Holly Center	Other Governmental Funds	Totals Governmental Funds
\$255,617	\$262,122	\$744,708	\$1,714,430	\$789,694	\$485,582	\$7,842,742
-	-	-	-	-	-	742,922
-	-	-	-	-	-	50,000
1,461	2,943	3,060	124,470	3,346	31,324	684,756
-	-	-	-	-	-	61,521
-	-	-	-	-	-	349,632
-	-	-	-	-	-	163,517
-	-	-	-	-	-	16,768
<u>257,078</u>	<u>265,065</u>	<u>747,768</u>	<u>1,838,900</u>	<u>793,040</u>	<u>516,906</u>	<u>9,911,858</u>
-	5,123	1,872	15,051	5,128	11,826	818,023
-	-	670,237	651,216	712,292	326,264	2,464,097
83,681	167,793	-	-	-	11,252	355,029
-	-	-	-	-	-	1,332,288
<u>83,681</u>	<u>172,916</u>	<u>672,109</u>	<u>666,267</u>	<u>717,420</u>	<u>349,342</u>	<u>4,969,437</u>
173,397	92,149	75,659	1,172,633	75,620	167,564	4,942,421
-	-	-	-	-	-	148,927
-	-	-	-	-	-	735,659
-	-	-	-	-	-	(735,659)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,927</u>
173,397	92,149	75,659	1,172,633	75,620	167,564	5,091,348
<u>(2,303,296)</u>	<u>(4,188,709)</u>	<u>(93,539)</u>	<u>2,954,362</u>	<u>953</u>	<u>545,471</u>	<u>21,660,612</u>
<u>(\$2,129,899)</u>	<u>(\$4,096,560)</u>	<u>(\$17,880)</u>	<u>\$4,126,995</u>	<u>\$76,573</u>	<u>\$713,035</u>	<u>\$26,751,960</u>

Amounts reported for governmental activities in the statement of activities (Exhibit A-2) are different because:

Net changes in fund balances - total above

\$5,091,348

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(33,707)

Changes in net position of governmental activities (Exhibit A-2)

\$5,057,641

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
December 31, 2024

	Gateway East	Gateway West	Housing Replacement
<u>Assets</u>			
Cash and investments	\$1,828	\$1,278	\$330,759
Taxes receivable	-	-	6,131
Land held for resale	-	2,610	81,050
Total assets	<u>\$1,828</u>	<u>\$3,888</u>	<u>\$417,940</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	20,291	100,578	-
Total liabilities	<u>20,291</u>	<u>100,578</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue	-	2,610	87,181
Fund balance (deficit):			
Restricted	-	-	330,759
Unassigned	(18,463)	(99,300)	-
Total fund balance (deficit)	<u>(18,463)</u>	<u>(99,300)</u>	<u>330,759</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$1,828</u>	<u>\$3,888</u>	<u>\$417,940</u>

Exhibit F-3

Satellite Lane Apts.	Main Street	Northern Stacks VIII	Moon Plaza	Total Nonmajor Capital Project Funds
\$502,397	\$106,044	\$35,327	\$1,460	\$979,093
12	-	-	-	6,143
-	-	-	-	83,660
<u>\$502,409</u>	<u>\$106,044</u>	<u>\$35,327</u>	<u>\$1,460</u>	<u>\$1,068,896</u>
\$ -	\$90,469	\$48,601	\$ -	\$139,070
-	-	-	6,119	126,988
-	90,469	48,601	6,119	266,058
12	-	-	-	89,803
502,397	15,575	-	-	848,731
-	-	(13,274)	(4,659)	(135,696)
502,397	15,575	(13,274)	(4,659)	713,035
<u>\$502,409</u>	<u>\$106,044</u>	<u>\$35,327</u>	<u>\$1,460</u>	<u>\$1,068,896</u>

CITY OF FRIDLEY, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
HOUSING AND REDEVELOPMENT AUTHORITY
For The Year Ended December 31, 2024

	<u>Gateway East</u>	<u>Gateway West</u>	<u>Housing Replacement</u>
Revenues:			
Tax increment	\$54,199	\$53,673	\$64,808
Investment income (loss)	596	578	10,305
Total revenues	<u>54,795</u>	<u>54,251</u>	<u>75,113</u>
Expenditures:			
Supplies and other charges	1,199	872	1,563
Developer assistance	-	-	-
Interest expense	3,704	7,313	-
Total expenditures	<u>4,903</u>	<u>8,185</u>	<u>1,563</u>
Excess (deficiency of revenues over (under expenditures	49,892	46,066	73,550
Fund balance (deficit) - January 1	<u>(68,355)</u>	<u>(145,366)</u>	<u>257,209</u>
Fund balance (deficit) - December 31	<u><u>(\$18,463)</u></u>	<u><u>(\$99,300)</u></u>	<u><u>\$330,759</u></u>

McGlynn Bakeries	Satellite Lane Apts.	Main Street	Northern Stacks VIII	Moon Plaza	Totals Nonmajor Capital Project Funds
\$ -	\$ -	\$201,041	\$108,001	\$3,860	\$485,582
-	19,845	-	-	-	31,324
-	19,845	201,041	108,001	3,860	516,906
-	100	5,111	581	2,400	11,826
398	47,727	180,937	97,202	-	326,264
-	-	-	-	235	11,252
398	47,827	186,048	97,783	2,635	349,342
(398)	(27,982)	14,993	10,218	1,225	167,564
398	530,379	582	(23,492)	(5,884)	545,471
\$0	\$502,397	\$15,575	(\$13,274)	(\$4,659)	\$713,035



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CUSTODIAL FUNDS

Custodial Funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

CITY OF FRIDLEY, MINNESOTA

STATEMENT OF NET POSITION

CUSTODIAL FUND

December 31, 2024

	<u>Hotel/Motel Tax</u>
Assets:	
Cash and investments	\$6,489
Accounts receivables	<u>5,076</u>
Total assets	<u><u>\$11,565</u></u>
Liabilities:	
Accounts payable	<u>11,565</u>
Net Position:	
Restricted for economic development	<u><u>\$ -</u></u>

CITY OF FRIDLEY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
For The Year Ended December 31, 2024

	<u>Hotel/Motel Tax</u>
Additions:	
Tax collections from other government	\$123,742
Total additions	<u>123,742</u>
Deductions:	
Payments of tax to other governments	117,555
Administrative fee	6,187
Total deductions	<u>123,742</u>
Net increase (decrease) in Fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>



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III. STATISTICAL SECTION (UNAUDITED)



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Statistical Section (Unaudited)

This part of the City of Fridley's annual comprehensive financial report presents detailed statistical information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Tables

Financial Trends

1 - 4

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

5 - 8

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax.

Debt Capacity

9 - 12

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

13 - 15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

16 - 17

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF FRIDLEY, MINNESOTA
NET POSITION BY COMPONENT
Last ten fiscal years
(Accrual Basis of Accounting)

	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	\$16,811,842	\$23,932,586	\$31,006,344	\$30,070,173
Restricted	2,233,179	2,204,983	2,739,575	2,977,454
Unrestricted	16,052,833	13,175,954	8,889,557	11,049,555
Total governmental activities net position	<u>\$35,097,854</u>	<u>\$39,313,523</u>	<u>\$42,635,476</u>	<u>\$44,097,182</u>
Business-type activities:				
Net investment in capital assets	\$14,234,711	\$13,913,434	\$13,897,925	\$15,068,876
Unrestricted	8,058,181	9,567,290	11,077,566	12,674,876
Total business-type activities net position	<u>\$22,292,892</u>	<u>\$23,480,724</u>	<u>\$24,975,491</u>	<u>\$27,743,752</u>
Primary government:				
Net investment in capital assets	\$31,046,553	\$37,846,020	\$44,904,269	\$45,139,049
Restricted	2,233,179	2,204,983	2,739,575	2,977,454
Unrestricted	24,111,014	22,743,244	19,967,123	23,724,431
Total primary government net position	<u>\$57,390,746</u>	<u>\$62,794,247</u>	<u>\$67,610,967</u>	<u>\$71,840,934</u>

Table 1

2019	2020	2021	2022	2023	2024
\$27,349,945	\$31,075,685	\$29,987,129	\$27,164,052	\$30,920,434	\$33,000,597
3,047,005	3,662,136	2,763,121	3,957,778	7,102,089	6,937,227
15,961,597	5,783,139	9,898,422	9,915,345	12,454,606	15,841,455
<u>\$46,358,547</u>	<u>\$40,520,960</u>	<u>\$42,648,672</u>	<u>\$41,037,175</u>	<u>\$50,477,129</u>	<u>\$55,779,279</u>
\$18,211,710	\$21,135,232	\$23,043,111	\$23,290,271	\$24,180,284	\$26,254,840
11,837,418	11,052,792	12,250,803	15,034,748	18,472,064	21,743,835
<u>\$30,049,128</u>	<u>\$32,188,024</u>	<u>\$35,293,914</u>	<u>\$38,325,019</u>	<u>\$42,652,348</u>	<u>\$47,998,675</u>
\$45,561,655	\$52,210,917	\$53,030,240	\$50,454,323	\$55,100,718	\$59,255,437
3,047,005	3,662,136	2,763,121	3,957,778	7,102,089	6,937,227
27,799,015	16,835,931	22,149,225	24,950,093	30,926,670	37,585,290
<u>\$76,407,675</u>	<u>\$72,708,984</u>	<u>\$77,942,586</u>	<u>\$79,362,194</u>	<u>\$93,129,477</u>	<u>\$103,777,954</u>

CITY OF FRIDLEY, MINNESOTA
CHANGES IN NET POSITION
Last ten fiscal years
(Accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$4,156,904	\$4,398,370	\$4,298,149	\$3,697,097
Public safety	8,048,655	10,313,163	9,129,111	9,274,465
Public works	5,127,667	4,975,340	5,112,090	4,699,946
Community development	1,107,348	1,126,835	981,433	946,173
Parks and recreation	1,353,320	1,440,232	1,720,811	1,835,082
Interest on long-term debt	144,064	97,684	2,292,957	1,685,039
Total governmental activities expenses	19,937,958	22,351,624	23,534,551	22,137,802
Business-type activities:				
Liquor	4,914,786	5,043,703	5,110,714	5,544,091
Water	3,101,356	3,076,493	3,531,649	3,047,417
Sanitary sewer	5,040,861	5,068,146	5,340,062	5,347,742
Storm water	785,626	1,030,467	1,085,780	1,071,446
Total business-type activities expenses	13,842,629	14,218,809	15,068,205	15,010,696
Total primary government expenses	\$33,780,587	\$36,570,433	\$38,602,756	\$37,148,498
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$1,905,021	\$2,031,207	\$2,021,012	\$2,244,912
Public safety	619,630	742,523	798,510	840,976
Public works	53,589	32,522	34,681	53,360
Community development	1,194,534	1,108,177	895,125	1,206,364
Parks and recreation	336,847	333,766	352,245	319,998
Operating grants and contributions	1,139,385	1,077,559	1,847,380	1,185,939
Capital grants and contributions	2,370,009	6,296,532	5,333,480	520,201
Total governmental activities program revenues	7,619,015	11,622,286	11,282,433	6,371,750
Business-type activities:				
Charges for services:				
Liquor	5,256,840	5,439,423	5,520,161	6,029,627
Water	2,907,123	3,330,350	3,486,965	3,912,727
Sanitary sewer	4,809,679	5,298,995	5,640,419	6,095,556
Storm water	1,225,153	1,324,460	1,378,095	1,433,935
Operating grants and contributions	-	67,551	61,476	-
Capital grants and contributions	421,990	186,791	713,655	499,800
Total business-type activities program revenues	14,620,785	15,647,570	16,800,771	17,971,645
Total primary government program revenues	\$22,239,800	\$27,269,856	\$28,083,204	\$24,343,395

Table 2
Page 1 of 2

2019	2020	2021	2022	2023	2024
\$5,504,858	\$6,003,817	\$5,851,445	\$6,389,864	\$6,921,931	\$7,096,229
10,035,219	9,946,434	9,816,095	12,178,884	13,556,667	12,764,224
5,677,069	5,304,937	5,698,161	6,186,146	6,244,765	7,099,559
973,708	16,037,288	1,051,339	1,478,757	1,450,922	1,391,923
1,565,950	1,459,005	1,754,110	1,854,907	661,060	2,031,169
1,795,560	2,012,685	1,881,282	2,795,304	2,580,922	2,458,238
<u>25,552,364</u>	<u>40,764,166</u>	<u>26,052,432</u>	<u>30,883,862</u>	<u>31,416,267</u>	<u>32,841,342</u>
5,698,502	6,115,659	6,552,204	6,098,010	5,858,397	5,846,748
2,811,051	3,192,159	3,086,716	3,270,302	3,364,844	3,516,145
5,722,230	5,911,370	5,776,014	6,266,036	6,726,694	7,096,221
1,208,564	1,243,060	1,288,000	1,496,526	1,566,767	1,562,427
<u>15,440,347</u>	<u>16,462,248</u>	<u>16,702,934</u>	<u>17,130,874</u>	<u>17,516,702</u>	<u>18,021,541</u>
<u>\$40,992,711</u>	<u>\$57,226,414</u>	<u>\$42,755,366</u>	<u>\$48,014,736</u>	<u>\$48,932,969</u>	<u>\$50,862,883</u>
\$2,236,868	\$1,490,036	\$1,623,061	\$2,157,317	\$2,229,748	\$2,568,143
558,695	2,181,463	2,066,986	791,031	903,757	891,432
31,841	792,658	874,269	553,539	1,997,663	531,651
1,502,589	971,674	1,299,234	1,982,209	2,247,338	1,933,679
317,088	59,289	233,035	320,780	348,186	471,218
1,845,628	1,603,520	1,483,495	2,082,891	2,908,752	3,033,088
1,334,148	6,096,584	1,265,349	2,135,051	4,743,465	3,599,409
<u>7,826,857</u>	<u>13,195,224</u>	<u>8,845,429</u>	<u>10,022,818</u>	<u>15,378,909</u>	<u>13,028,620</u>
6,195,797	6,708,539	7,290,355	6,521,618	6,230,594	6,062,097
3,798,381	4,143,249	4,666,860	4,545,403	4,894,229	4,521,777
6,075,840	5,937,276	6,325,191	6,639,735	7,491,197	7,597,446
1,491,252	1,523,085	1,600,201	1,767,347	2,033,430	2,176,487
251,666	118,410	-	84,590	38,706	17,916
-	163,816	275,449	466,483	191,275	646,612
<u>17,812,936</u>	<u>18,594,375</u>	<u>20,158,056</u>	<u>20,025,176</u>	<u>20,879,431</u>	<u>21,022,335</u>
<u>\$25,639,793</u>	<u>\$31,789,599</u>	<u>\$29,003,485</u>	<u>\$30,047,994</u>	<u>\$36,258,340</u>	<u>\$34,050,955</u>

CITY OF FRIDLEY, MINNESOTA
CHANGES IN NET POSITION
Last ten fiscal years
(Accrual basis of accounting)

	2015	2016	2017	2018
Net (expense) revenue:				
Governmental activities	(\$12,318,943)	(\$10,729,338)	(\$12,252,118)	(\$15,766,052)
Business-type activities	778,156	1,428,761	1,732,566	2,960,949
Total primary government net (expense) revenue	<u>(\$11,540,787)</u>	<u>(\$9,300,577)</u>	<u>(\$10,519,552)</u>	<u>(\$12,805,103)</u>
General revenues and other changes in net position				
Governmental activities:				
General property taxes	\$11,795,707	\$12,222,937	\$13,884,775	\$14,839,034
Grants not restricted to programs	1,325,388	1,763,614	657,546	1,613,020
Investment income (loss)	157,281	254,379	413,165	651,609
Gain (loss) on sale of property	67,581	11,005	-	(335,183)
Other	418,640	354,572	280,085	120,778
Transfers	338,600	338,500	338,500	338,500
Total governmental activities	<u>14,103,197</u>	<u>14,945,007</u>	<u>15,574,071</u>	<u>17,227,758</u>
Business-type activities:				
Grants not restricted to programs	2,413	-	-	8,957
Investment earnings	42,722	95,713	68,805	142,716
Gain (loss) on sale of property	10,672	-	16,000	(7,046)
Other	16,331	1,858	15,896	1,185
Transfers	(338,600)	(338,500)	(338,500)	(338,500)
Total business-type activities	<u>(266,462)</u>	<u>(240,929)</u>	<u>(237,799)</u>	<u>(192,688)</u>
Total primary government	<u>\$13,836,735</u>	<u>\$14,704,078</u>	<u>\$15,336,272</u>	<u>\$17,035,070</u>
Change in net position:				
Governmental activities	\$1,784,254	\$4,215,669	\$3,321,953	\$1,461,706
Business-type activities	511,694	1,187,832	1,494,767	2,768,261
Total primary government	<u>\$2,295,948</u>	<u>\$5,403,501</u>	<u>\$4,816,720</u>	<u>\$4,229,967</u>

Table 2
Page 2 of 2

2019	2020	2021	2022	2023	2024
(\$17,725,507)	(\$27,568,942)	(\$17,207,003)	(\$20,861,044)	(\$16,037,358)	(\$19,812,722)
2,372,589	2,132,127	3,455,122	2,894,302	3,362,729	3,000,794
<u>(\$15,352,918)</u>	<u>(\$25,436,815)</u>	<u>(\$13,751,881)</u>	<u>(\$17,966,742)</u>	<u>(\$12,674,629)</u>	<u>(\$16,811,928)</u>
\$15,387,457	\$16,225,057	\$16,932,793	\$17,340,718	\$19,410,491	\$20,385,478
1,670,719	3,948,112	1,848,065	1,839,727	1,875,934	1,265,000
811,009	980,709	(180,488)	(576,946)	2,866,774	2,500,077
(249,165)	21,429	129,604	48,528	188,057	231,673
2,028,352	298,544	266,241	259,020	797,556	575,455
338,500	257,504	338,500	338,500	338,500	157,189
<u>19,986,872</u>	<u>21,731,355</u>	<u>19,334,715</u>	<u>19,249,547</u>	<u>25,477,312</u>	<u>25,114,872</u>
8,957	-	-	794,835	434,500	1,624,087
257,520	262,616	(24,062)	(387,377)	828,946	841,001
3,772	-	12,450	17,550	39,551	37,583
1,038	1,657	880	295	103	51
(338,500)	(257,504)	(338,500)	(338,500)	(338,500)	(157,189)
<u>(67,213)</u>	<u>6,769</u>	<u>(349,232)</u>	<u>86,803</u>	<u>964,600</u>	<u>2,345,533</u>
<u>\$19,919,659</u>	<u>\$21,738,124</u>	<u>\$18,985,483</u>	<u>\$19,336,350</u>	<u>\$26,441,912</u>	<u>\$27,460,405</u>
\$2,261,365	(\$5,837,587)	\$2,127,712	(\$1,611,497)	\$9,439,954	\$5,302,150
2,305,376	2,138,896	3,105,890	2,981,105	4,327,329	5,346,327
<u>\$4,566,741</u>	<u>(\$3,698,691)</u>	<u>\$5,233,602</u>	<u>\$1,369,608</u>	<u>\$13,767,283</u>	<u>\$10,648,477</u>

CITY OF FRIDLEY, MINNESOTA
FUND BALANCES - GOVERNMENTAL FUNDS
Last ten fiscal years
(Modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund:				
Nonspendable	\$66,265	\$51,305	\$55,777	\$77,801
Restricted	19,376	35,903	14,466	20,335
Unassigned	8,858,309	9,084,228	9,522,843	11,045,978
Total general fund	<u>\$8,943,950</u>	<u>\$9,171,436</u>	<u>\$9,593,086</u>	<u>\$11,144,114</u>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	1,808,572	1,903,290	34,821,855	5,009,553
Committed	2,709,638	2,549,903	2,658,339	6,765,928
Assigned	11,272,588	10,573,287	8,510,134	4,567,369
Unassigned	<u>(43,153)</u>	<u>(27,574)</u>	<u>(9,453)</u>	<u>-</u>
Total all other governmental funds	<u>\$15,747,645</u>	<u>\$14,998,906</u>	<u>\$45,980,875</u>	<u>\$16,342,850</u>

2019	2020	2021	2022	2023	2024
\$53,334	\$65,779	\$105,578	\$225,418	\$258,652	\$281,232
42,180	24,513	20,849	58,765	1,381,489	1,163,646
10,166,947	13,603,533	10,598,912	10,563,650	11,245,668	12,330,070
<u>\$10,262,461</u>	<u>\$13,693,825</u>	<u>\$10,725,339</u>	<u>\$10,847,833</u>	<u>\$12,885,809</u>	<u>\$13,774,948</u>
\$ -	\$ -	\$ -	\$ -	\$32,211	\$7,641
12,775,223	3,566,713	3,720,128	27,174,772	20,691,123	15,679,109
11,165,161	11,550,431	16,180,954	16,523,003	17,955,398	17,699,762
6,177,195	6,362,198	6,811,853	4,799,846	5,255,768	7,178,163
<u>-</u>	<u>(567)</u>	<u>(52,012)</u>	<u>(66,780)</u>	<u>(52,451)</u>	<u>(20,383)</u>
<u>\$30,117,579</u>	<u>\$21,478,775</u>	<u>\$26,660,923</u>	<u>\$48,430,841</u>	<u>\$43,882,049</u>	<u>\$40,544,292</u>

CITY OF FRIDLEY, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last ten fiscal years

	2015	2016	2017	2018
Revenues:				
General property taxes	\$11,805,580	\$12,244,211	\$13,878,204	\$14,857,454
Special assessments	542,248	865,722	621,621	501,045
Licenses and permits	1,549,785	1,442,895	1,272,753	1,538,758
Intergovernmental	4,375,972	7,330,338	4,227,709	3,035,084
Charges for services	2,374,896	2,592,665	2,560,831	2,863,220
Fines and forfeits	184,940	212,635	267,989	263,632
Earnings on investments	157,281	254,379	413,165	651,609
Interest on loan	-	-	-	-
Other	429,713	887,678	766,059	374,415
Total revenues	<u>\$21,420,415</u>	<u>\$25,830,523</u>	<u>\$24,008,331</u>	<u>\$24,085,217</u>
Expenditures:				
Current:				
General government	3,777,688	3,924,877	3,953,025	3,659,534
Public safety	7,319,564	7,537,051	8,001,032	8,317,478
Public works	3,575,252	2,824,319	3,468,102	3,316,912
Community development	1,081,549	942,768	934,074	909,481
Parks and recreation	1,288,684	1,341,444	1,417,611	1,557,052
Debt service:				
Principal	1,190,000	1,230,000	1,730,000	1,390,000
Interest	152,894	112,421	931,527	1,761,843
Bond issuance costs	7,462	2,700	715,461	2,800
Capital outlay	3,645,425	8,618,369	22,577,062	31,660,699
Total expenditures	<u>22,038,518</u>	<u>26,533,949</u>	<u>43,727,894</u>	<u>52,575,799</u>
Revenues over (under) expenditures	<u>(\$618,103)</u>	<u>(\$703,426)</u>	<u>(\$19,719,563)</u>	<u>(\$28,490,582)</u>
Other financing sources (uses):				
Bonds/leases/SBITAs issued	-	-	49,130,000	-
Premium/(discount) on bonds issue	-	-	1,584,898	-
Proceeds from sale of capital assets	93,670	43,673	69,784	65,085
Transfers in	1,065,410	2,047,849	1,361,189	7,795,728
Transfers out	(726,810)	(1,909,349)	(1,022,689)	(7,457,228)
Total other financing sources (uses)	<u>432,270</u>	<u>182,173</u>	<u>51,123,182</u>	<u>403,585</u>
Net change in fund balance	<u>(\$185,833)</u>	<u>(\$521,253)</u>	<u>\$31,403,619</u>	<u>(\$28,086,997)</u>
Debt service as a percentage of noncapital expenditures	7.3%	7.5%	13.0%	15.1%
Debt service as percentage of total expenditures	6.1%	5.1%	6.1%	6.0%

Table 4

2019	2020	2021	2022	2023	2024
\$15,337,464	\$16,133,737	\$16,977,698	\$17,352,753	\$19,423,550	\$20,345,502
467,953	819,347	840,389	657,413	683,922	724,518
1,501,526	1,559,003	1,526,246	1,092,843	1,352,838	1,053,292
4,446,430	8,111,582	3,888,549	5,038,786	9,718,659	6,734,234
2,958,748	2,795,287	3,230,503	3,039,357	3,246,049	3,750,844
186,807	169,156	151,219	197,517	195,926	165,624
811,009	898,347	(164,818)	(503,820)	2,713,025	2,376,874
-	108,000	98,579	111,276	97,181	82,586
2,178,614	1,232,731	1,392,806	1,801,529	2,381,751	1,988,830
<u>\$27,888,551</u>	<u>\$31,827,190</u>	<u>\$27,941,171</u>	<u>\$28,787,654</u>	<u>\$39,812,901</u>	<u>\$37,222,304</u>
4,677,076	5,177,833	5,023,569	5,295,200	5,626,716	5,895,139
8,831,505	8,924,373	9,761,947	10,327,011	11,531,643	11,710,636
3,535,263	3,222,623	3,451,877	3,636,672	3,928,244	4,069,740
982,166	15,999,027	1,073,651	1,391,086	1,386,145	1,376,375
1,244,351	1,175,270	1,438,269	1,471,176	1,603,950	1,719,592
1,495,000	1,540,000	2,070,000	2,105,000	2,285,908	3,793,835
1,721,308	1,958,725	2,106,674	2,022,014	2,971,536	2,825,684
155,218	62,855	-	558,999	-	-
2,721,649	4,412,516	1,269,626	2,686,883	14,108,440	9,862,668
<u>25,363,536</u>	<u>42,473,222</u>	<u>26,195,613</u>	<u>29,494,041</u>	<u>43,442,582</u>	<u>41,253,669</u>
<u>\$2,525,015</u>	<u>(\$10,646,032)</u>	<u>\$1,745,558</u>	<u>(\$706,387)</u>	<u>(\$3,629,681)</u>	<u>(\$4,031,365)</u>
9,510,000	4,540,000	-	20,730,000	592,308	1,193,885
504,837	619,659	-	1,481,771	-	-
14,724	21,429	129,604	48,528	188,057	231,673
2,819,740	338,500	338,500	338,500	338,500	157,189
(2,481,240)	(80,996)	-	-	-	-
<u>10,368,061</u>	<u>5,438,592</u>	<u>468,104</u>	<u>22,598,799</u>	<u>1,118,865</u>	<u>1,582,747</u>
<u>\$12,893,076</u>	<u>(\$5,207,440)</u>	<u>\$2,213,662</u>	<u>\$21,892,412</u>	<u>(\$2,510,816)</u>	<u>(\$2,448,618)</u>
14.3%	9.2%	16.8%	15.7%	17.9%	21.1%
12.7%	8.2%	15.9%	14.0%	12.1%	16.0%

CITY OF FRIDLEY, MINNESOTA
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial/Industrial Property	Public Utility	All Other	Total Tax Capacity	Add: Area-wide Values and Increment
2015	9,538,484	12,771,829	49,868	4,737,031	27,097,212	2,934,045
2016	9,488,686	13,688,867	58,699	4,958,693	28,194,945	2,986,838
2017	10,488,279	15,061,056	59,759	5,564,751	31,173,845	2,946,266
2018	11,639,971	15,097,292	62,282	5,961,619	32,761,164	2,918,699
2019	18,645,518	16,935,599	69,652	1,189,818	36,840,587	1,978,916
2020	20,305,713	18,228,064	52,061	1,202,271	39,788,109	1,406,269
2021	22,172,098	18,811,165	62,485	1,415,212	42,460,960	1,279,918
2022	23,326,147	19,746,828	61,735	1,072,472	44,207,182	965,110
2023	23,027,902	22,034,994	62,818	7,306,294	52,432,008	(641,369)
2024	19,650,408	25,764,671	59,997	12,070,585	57,545,661	(1,873,012)

Source: Continuing Disclosure Document

¹Property Values are determined on January 2 of the proceeding year.

Table 5

Less: Fiscal Disparity Contribution	Adjusted Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value ¹	Tax Capacity as a Percent of EMV
4,358,570	25,672,687	43.508%	2,146,063,300	105.55%
4,681,350	26,500,433	44.960%	2,207,363,400	106.39%
5,225,764	28,894,347	48.218%	2,416,338,500	107.89%
5,571,692	30,108,171	47.907%	2,557,662,900	108.81%
5,830,355	32,989,148	45.382%	2,854,939,900	111.67%
6,520,022	34,674,356	45.253%	3,073,484,500	114.75%
7,139,274	36,601,604	44.928%	3,267,352,600	116.01%
7,707,721	37,464,571	45.242%	3,425,676,400	118.00%
7,634,706	44,155,933	43.017%	4,068,533,300	118.74%
8,632,930	47,039,719	45.242%	4,378,541,100	122.33%

CITY OF FRIDLEY, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES
Last Ten Fiscal Years

Fiscal Year	City	School District No. 11	School District No. 13	School District No. 14	School District No. 16⁽¹⁾	County
2015	43.508%	22.482%	32.562%	48.422%	40.045%	38.123%
2016	44.960%	20.885%	29.442%	54.252%	39.609%	38.894%
2017	48.218%	18.590%	27.633%	49.408%	40.229%	36.841%
2018	47.907%	18.392%	27.900%	51.006%	39.617%	37.792%
2019	45.382%	16.330%	33.148%	49.055%	37.632%	34.473%
2020	45.253%	16.948%	23.385%	46.213%	35.452%	33.440%
2021	44.941%	16.152%	28.771%	44.306%	33.110%	32.885%
2022	45.242%	16.319%	24.986%	43.699%	33.380%	29.254%
2023	43.017%	13.671%	18.201%	34.656%	27.812%	24.176%
2024	42.541%	13.592%	21.390%	37.135%	26.128%	25.629%

Source: Anoka County Property Records and Taxation Department

Table 6

Special Districts with Coon Creek	Special Districts with Rice Creek	Total School District No. 11 ⁽¹⁾	Total School District No. 13 ⁽²⁾	Total School District No. 14 ⁽²⁾	Total School District No. 16 ⁽²⁾
8.591%	9.079%	112.704%	123.272%	139.132%	130.755%
9.688%	9.622%	114.427%	122.918%	147.728%	133.085%
6.758%	7.200%	110.407%	119.892%	141.667%	132.488%
6.892%	7.282%	110.983%	120.881%	143.987%	132.598%
6.265%	6.699%	102.450%	119.702%	135.609%	124.186%
6.120%	6.642%	101.761%	108.720%	131.548%	120.787%
4.354%	4.876%	98.332%	111.473%	127.008%	115.812%
4.224%	4.582%	95.039%	104.064%	122.777%	112.458%
5.073%	5.385%	85.937%	90.779%	107.234%	100.390%
5.878%	6.236%	87.640%	95.796%	111.541%	100.534%

CITY OF FRIDLEY, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
Current year and nine years ago

Taxpayer	2024			2015		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Medtronic, Inc.	\$2,399,796	1	4.17%	\$1,664,086	1	6.14%
Hyde Development	2,190,834	2	3.81%			
John Allen Industrial Equities	1,092,722	3	1.90%	N/A		
Target Corporation	923,334	4	1.60%	766,652	2	2.83%
Cummins Power (Onan Corp)	909,382	5	1.58%	546,368	3	2.02%
BNSF Railroad	747,454	6	1.30%	N/A		
Cielo Partners LLC	737,500	7	1.28%	N/A		
Shamrock Investments	703,934	8	1.22%	282,030	8	1.04%
Unity/Fridley Medical Clinic	654,358	9	1.14%	N/A		
University Avenue Associates	647,321	10	1.12%	242,554	5	0.90%
Georgetown Apartments	0		N/A	246,906	4	0.00%
BAE / GPT Fridley	0		N/A	275,812	9	1.02%
Fridley Market-SVAP (60th/Main)	0		0.00%	N/A		
Wal-Mart/Sam's Club	0		N/A	326,004	6	1.20%
River Pointe Apartments	0		N/A	289,855	7	1.07%
ZCOF (Fridley Market)	0		N/A	237,348	10	0.88%
Lifetime Fitness	0		N/A	N/A		
Total	<u>\$11,006,635</u>		<u>19.12%</u>	<u>\$4,877,615</u>		<u>17.10%</u>
Total All Property	<u>\$57,545,661</u>			<u>\$27,097,212</u>		

Source: City Assessor

CITY OF FRIDLEY, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years

Fiscal Year Ended Dec. 31	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years ¹	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	11,734,607	11,657,855	99.35%	76,752	11,734,607	100.00%
2016	12,200,835	12,172,555	99.77%	25,468	12,198,023	99.98%
2017	14,122,251	13,990,154	99.06%	129,366	14,119,520	99.98%
2018	14,807,913	14,804,501	99.98%	1,245	14,805,746	99.99%
2019	15,494,419	15,339,721	99.00%	154,348	15,494,069	100.00%
2020	16,109,557	16,030,087	99.51%	71,179	16,101,266	99.95%
2021	16,890,084	16,834,247	99.67%	47,324	16,881,571	99.95%
2022	17,392,070	17,326,104	99.62%	50,690	17,376,794	99.91%
2023	19,620,870	19,458,238	99.17%	104,963	19,563,201	99.71%
2024	20,577,799	20,367,377	98.98%	N/A	20,367,377	98.98%

¹Includes repayment of property taxes abatements

Source: City Finance Department

CITY OF FRIDLEY, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten fiscal years

Governmental Activities							
Fiscal Year	Improvement Bonds	Tax Increment Bonds	Tax Abatement Bonds	Equipment Certificates	Lease Liability	Subscription Liability	Total
2015	3,010,000	-	-	1,330,000	-	-	4,340,000
2016	1,980,000	-	-	1,130,000	-	-	3,110,000
2017	51,111,785	-	-	925,000	-	-	52,036,785
2018	49,863,689	-	-	720,000	-	-	50,583,689
2019	49,019,830	9,510,000	-	510,000	-	-	59,039,830
2020	48,125,572	14,050,000	-	295,000	-	-	62,470,572
2021	46,630,244	13,420,000	-	150,000	-	-	60,200,244
2022	44,454,805	13,440,110	22,211,771	-	-	-	80,106,686
2023	42,926,410	12,558,178	22,121,218	-	516,400	-	78,122,206
2024	41,328,014	11,641,246	21,057,434	-	935,438	261,012	75,223,144

¹ Demographic information can be found on Table 13

² In fiscal year 2023, the City implemented GASB Statement No. 87 "Leases" and GASB Statement No. 96 "Subscription-Based Information Technology Arrangements," respectively, which changed the accounting and reporting requirements for lease and subscription-based information technology arrangement activities.

Table 9

Business Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
Lease Liability	Revenue Bonds	Total			
	5,260,000	5,260,000	9,600,000	1.31%	152
	10,811,935	10,811,935	13,921,935	1.69%	109
	8,200,461	8,200,461	60,237,246	7.25%	1,815
	7,273,987	7,273,987	57,857,676	6.74%	1,755
	6,317,180	6,317,180	65,357,010	7.28%	1,969
	5,575,343	5,575,343	68,045,915	7.01%	2,088
	3,688,506	3,688,506	63,888,750	6.51%	2,020
817,471	3,123,506	3,940,977	84,047,663	7.78%	2,674
810,300	2,524,832	3,335,132	81,457,338	7.45%	2,579
753,384	2,227,995	2,981,379	78,204,523	6.64%	2,494

CITY OF FRIDLEY, MINNESOTA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Independent School District No. 11	\$231,070,000	1.60%	\$3,697,120
Independent School District No. 13	14,494,024	31.46%	4,559,820
Independent School District No. 14	42,320,000	100.00%	42,320,000
Independent School District No. 16	83,665,000	36.80%	30,788,720
Metro Council	1,558,153,207	1.19%	18,542,023
Anoka County	27,070,000	18.04%	4,883,428
Vocational/Technical District No. 916	66,840,000	2.21%	1,477,164
Subtotal - overlapping debt			106,268,275
City of Fridley - Direct debt	\$75,223,144	100.00%	75,223,144
Total direct and overlapping debt			\$181,491,419

Sources: Continuing Disclosure Document

¹Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF FRIDLEY, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years

Market Value	4,378,541,100	
Debt Limit 3% of Market Value		\$131,356,233
Amount of Debt Applicable to Debt Limit:		
Total Debt	\$42,400,000	
Deductions:		
Revenue Bonds	<u>2,155,000</u>	<u>2,155,000</u>
Total Amount of Debt Applicable to Debt Limit		<u>40,245,000</u>
Legal Debt Margin		<u><u>\$91,111,233</u></u>

Legal Debt Margin Calculation for the last 10 Fiscal Years

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit
2015	64,381,899	1,330,000	63,051,899	2.07%
2016	66,220,902	1,130,000	65,090,902	1.71%
2017	72,490,155	50,055,000	22,435,155	69.05%
2018	76,729,887	48,790,000	27,939,887	63.59%
2019	85,648,197	56,935,000	28,713,197	66.48%
2020	92,204,535	60,070,000	32,134,535	65.15%
2021	102,827,526	58,065,000	44,762,526	56.47%
2022	102,770,292	76,690,000	26,080,292	74.62%
2023	122,055,999	41,780,000	80,275,999	34.23%
2024	131,356,233	40,245,000	91,111,233	30.64%

CITY OF FRIDLEY, MINNESOTA
PLEDGED-REVENUE COVERAGE
Last ten fiscal years

Fiscal Year	Improvement Bonds				Equipment Certificates				Utility Operating Revenues
	Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage	
		Principal	Interest			Principal	Interest		
2015	188,303	990,000	129,815	0.17	231,310	200,000	23,080	1.04	8,936,287
2016	166,895	1,030,000	92,090	0.15	234,359	200,000	20,330	1.06	9,938,517
2017	105,827	1,525,000	914,322	0.04	225,962	205,000	17,205	1.02	10,499,230
2018	52,979	1,185,000	1,747,988	0.02	232,848	205,000	13,855	1.06	11,442,218
2019	48,680	1,285,000	1,710,938	0.02	231,149	210,000	10,371	1.05	11,365,473
2020	25,154	1,325,000	1,671,788	0.01	157,817	215,000	6,570	0.71	11,603,610
2021	10,336	1,295,000	1,638,638	0.00	160,511	145,000	3,526	1.08	12,592,252
2022	-	1,250,000	1,594,113	0.00	(95)	150,000	1,238	0.00	12,952,485
2023	-	1,465,000	1,526,238	0.00	1,878	-	-	N/A	14,419,231
2024	-	1,535,000	1,451,238	0.00	(173)	-	-	N/A	14,289,102

Table 12

Utility Revenue Bonds					Tax Abatement Bonds		Tax Increment Bonds	
Utility Operating Expenses	Net Avaliable Revenue	Debt Service		Coverage	Debt Service		Debt Service	
		Principal	Interest		Principal	Interest	Principal	Interest
7,405,596	1,530,691	585,000	203,060	1.94	-	-	-	-
7,381,382	2,557,135	610,000	181,610	3.23	-	-	-	-
8,374,461	2,124,769	2,600,000	261,888	0.74	-	-	-	-
9,307,210	2,135,008	915,000	180,688	1.95	-	-	-	-
9,608,209	1,757,264	945,000	155,763	1.60	-	-	-	-
9,812,423	1,791,187	730,000	134,838	2.07	-	-	-	280,368
9,681,907	2,910,345	1,875,000	131,838	1.45	-	-	630,000	460,038
12,091,570	860,915	565,000	66,763	1.36	-	-	705,000	426,663
12,806,455	1,612,776	575,000	55,363	2.56	-	1,030,880	745,000	390,413
12,085,717	2,203,385	285,000	46,763	6.64	965,000	942,325	780,000	352,288

CITY OF FRIDLEY, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last ten fiscal years

Fiscal Year	Population	Unemployment Rate	Total Personal Income	Per Capita Personal Income
2015	28,547	3.9%	747,503,195	26,185
2016	28,631	3.9%	810,142,776	28,296
2017	28,667	3.8%	829,622,980	28,940
2018	28,824	3.1%	862,385,256	29,919
2019	28,981	3.3%	897,599,532	30,972
2020	29,924	7.5%	971,033,800	32,450
2021	29,806	5.0%	981,899,058	32,943
2022	29,962	2.6%	1,079,830,480	36,040
2023	30,289	3.4%	1,092,705,964	36,076
2024	30,156	3.5%	1,177,591,800	39,050

Sources: Metropolitan Council (population), Continuing Disclosure Document (unemployment rate)

CITY OF FRIDLEY, MINNESOTA
PRINCIPAL EMPLOYERS
Current year and nine years ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Medtronic, Inc.	3,000	1	12.10%	4,560	1	20.41%
Cummins Power (Onan)	1,008	2	4.07%	1,210	3	5.42%
Mercy - Unity Medical Center	839	3	3.39%	1,490	2	6.67%
Minco Products	700	4	2.82%	500	7	2.24%
ISD #14 (Fridley Schools)	683	5	2.76%	578	6	2.59%
Wal-Mart	608	6	2.45%	280	9	1.25%
Target	550	7	2.22%	696	4	3.11%
BAE Systems	550	8	2.22%	595	5	2.66%
Taylor Communications	390	9	1.57%	N/A		N/A
Kurt Manufacturing	275	10	1.11%	263	10	1.18%
Park Construction	N/A		N/A	300	8	1.34%
Lofthouse Bakery	N/A		N/A	N/A		N/A
Total	8,603		34.71%	10,472		46.87%
Total City Employment	24,784			22,345		

Source: Fridley Community Development Dept, MN Department of Employment and Economic Development



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CITY OF FRIDLEY, MINNESOTA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government:										
City Administration	4.7	5.0	5.0	5.0	5.0	4.0	5.0	7.0	7.0	7.0
Employee Resources	2.0	2.0	2.0	2.8	3.0	3.0	3.0	3.0	3.0	3.0
Customer Relations	-	-	-	0.7	1.0	-	-	-	-	-
Finance	16.0	15.0	15.0	16.1	16.9	17.9	23.5	20.0	20.0	20.0
Community Development	9.6	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.4
Public safety:										
Police department	52.6	52.4	52.4	52.1	54.1	54.9	56.7	58.7	58.7	59.2
Fire department	7.0	7.0	7.0	7.0	6.0	4.9	6.0	6.0	6.0	6.0
Public works:										
Administration	1.5	1.5	1.8	1.8	2.8	2.8	3.0	3.0	2.9	2.9
Engineering	1.8	1.8	2.1	2.1	2.1	2.1	2.1	2.1	2.8	3.8
Parks	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	7.1	7.1
Streets	8.5	8.5	8.8	8.8	8.8	8.9	8.7	8.7	8.3	8.3
Mechanic	3.8	3.8	3.8	3.8	3.8	4.0	3.6	3.6	3.9	3.9
Fleet	7.8	7.8	7.9	7.9	7.9	7.9	8.2	8.4	8.1	8.1
Sewer	3.7	3.7	3.7	3.7	3.7	4.6	4.2	4.2	4.6	4.6
Storm Water	5.1	5.1	5.1	5.0	5.0	6.7	5.3	6.1	6.1	6.1
Parks and Recreation:										
Recreation and Naturalist	9.0	9.0	9.8	10.2	9.0	11.7	10.8	11.3	11.5	11.5
Total	138.9	138.4	140.0	142.8	144.9	149.1	155.9	157.8	161.0	162.9

Source: City Finance Department

CITY OF FRIDLEY, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
Police:				
Physical arrests	1,386	752	979	1,043
Parking violations	278	922	553	612
Traffic violations	2,592	2,601	2,250	2,622
Fire:				
Emergency responses	3,047	3,268	3,439	2,415
Fires occurred	103	127	126	126
Commercial Inspections	1,663	789	867	829
Community Development				
Rental Inspections	1,881	1,559	1,434	1,410
Refuse collection:				
Recyclables collected (tons per day)	6.33	5.99	6.62	6.20
Recyclables collected (pounds per person)	165.96	156.54	169.25	158.29
Building inspection:				
Permits issued:				
Residential	4,642	2,227	1,804	2,007
Commercial	642	599	612	514
Total permit valuation	\$60,598,103	\$73,636,057	\$103,663,306	\$91,601,072
Other public works:				
Street resurfacing (miles)	2.9	2.2	1.9	0.2
Recreation				
Recreation Program Participant hours	311,500	315,000	300,000	321,927
Senior Program Participant hours	62,218	65,500	65,500	21,615
Nature Center Education Participants	20,404	15,609	16,339	16,872
Nature Center Special Event Participants		4,751	2,670	4,200
Nature Center Facility Rental Visitors		N/A	5,364	5,500
Water:				
Connections	8,245	8,374	8,259	8,261
Storage capacity (gallons)	6,500,000	6,500,000	6,500,000	6,500,000
Average daily production (gallons)	2,968,901	3,560,000	3,390,000	3,233,000
Peak daily production (gallons)	6,803,000	6,392,000	6,379,000	5,900,000
Sewer:				
Connections	8,254	8,271	8,235	8,239

Sources: Various City departments.

Table 16

Fiscal Year					
2019	2020	2021	2022	2023	2024
911	761	1,247	1,365	1,367	1,303
1,741	671	841	1,289	1,137	1,695
1,932	1,883	1,395	1,258	1,891	814
2,596	3,342	3,003	3,372	3,254	2,984
105	123	159	162	126	97
1,672	862	397	588	722	477
1,643	1,260	1,374	1,494	1,657	2,107
6.37	6.57	5.79	5.68	5.71	5.38
162.28	163.28	142.72	140.32	137.41	130.32
2,093	2,329	2,278	2,095	2,260	2,112
453	378	430	297	353	323
\$98,100,786	\$99,191,402	\$87,575,510	\$32,218,314	\$73,578,562	\$29,499,198
0.6	3.6	2.2	1.8	4.8	1.3
58,354	6,892	50,765	50,770	51,687	59,872
N/A	N/A	N/A	N/A	N/A	N/A
15,587	3,785	10,581	18,343	17,229	15,515
3,700	145	3,528	6,168	5,769	4,945
4,456	1,059	1,419	3,901	4,632	4,653
8,305	8,343	8,362	8,364	8,356	8,356
6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
3,056,000	3,370,000	3,480,000	3,490,000	3,390,000	3,038,000
5,720,000	6,458,000	7,345,000	6,443,000	7,802,000	4,704,000
8,291	8,326	8,344	8,346	8,338	8,338

CITY OF FRIDLEY, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Squad cars	13	13	12	15	15	15	15	15	16	16
Fire stations	3	3	3	3	2	2	2	2	2	2
Other public works:										
Streets (miles)	125.5	125.5	125.5	125.8	126.1	126.1	126.1	126.1	126.1	126.0
Highways (miles)	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Streetlights	1,059	1,059	1,059	1,059	1,093	1,123	1,123	1,123	1,123	1,123
Traffic signals	36	36	36	36	36	36	36	36	36	36
Parks, recreation and naturalist:										
Acreage	682	682	682	665	665	666	666	666	742	742
Playgrounds	29	29	29	28	28	29	29	29	30	30
Baseball/softball diamonds	22	22	21	21	21	21	21	21	21	21
Soccer/football fields	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	113.2	113.2	113.2	116.0	117.5	127.0	127.8	127.8	127.8	127.8
Fire hydrants	1,013	1,013	1,013	1,020	1,040	1,040	1,070	1,420	1,422	1,422
Storage capacity (millions of gallons)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Wastewater:										
Sanitary sewers (miles)	103.0	103.0	103.0	106.0	107.5	109.0	109.2	109.2	109.2	109.2
Storm sewers (miles)	102.2	102.2	102.2	104.5	107.0	115.5	115.5	115.5	89.1	89.1

Sources: Various City departments.

CITY OF FRIDLEY, MINNESOTA

AUDIT MANAGEMENT LETTER

For The Year Ended
December 31, 2024

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To the Honorable Mayor and
Members of the City Council
City of Fridley, Minnesota

We have completed the 2024 audit of the City of Fridley, Minnesota and have issued our report thereon. Our Independent Auditor's Report is included in the City's Annual Comprehensive Financial Report.

This Audit Management Letter provides a summary of audit results along with comparisons and trend analysis of financial results.

Thank you for the opportunity to serve the City. We are available to discuss this report with you.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 2, 2025

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City of Fridley, Minnesota

Audit Management Letter

Report Summary

REPORT SUMMARY

Several reports are issued in conjunction with the audit. A brief summary is as follows:

Report Name	Elements of Report	Overview
<i>Annual Comprehensive Financial Report (ACFR)</i>	• Management's Discussion and Analysis • Financial statements • Footnotes • Supplemental information • Statistical information	• Unmodified ("clean") opinion on the Basic Financial Statements
<i>Report on Internal Control over Financial Reporting and on Compliance and Other Matters</i>	Results of testing • Internal controls over financial reporting • Compliance with laws, regulations, contracts and grants	• No internal control findings
<i>State Legal Compliance Report</i>	• Results of testing certain provisions of Minnesota Statutes	• No compliance findings

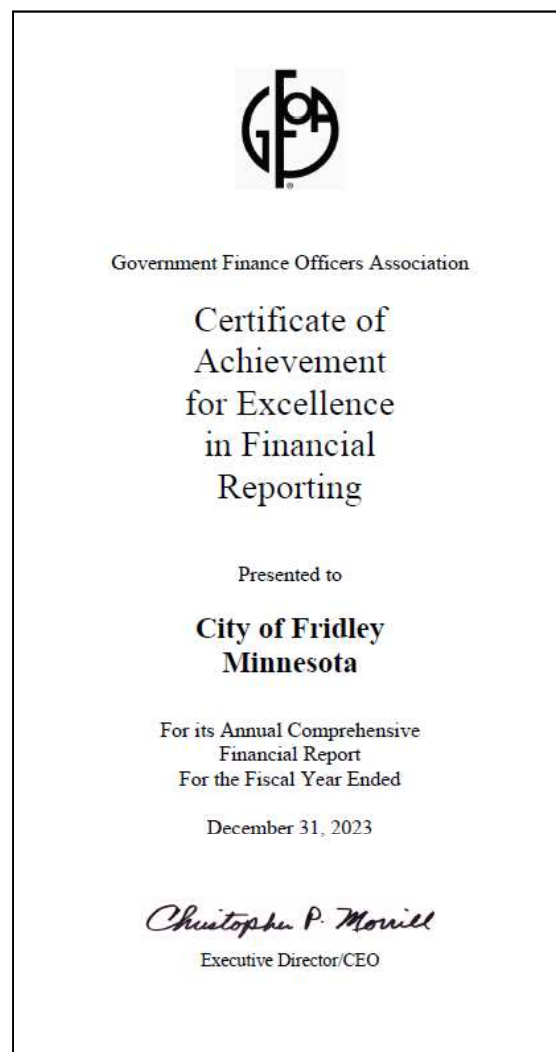
NATIONAL RECOGNITION FOR EXCELLENCE IN FINANCIAL REPORTING

The “Certificate of Achievement for Excellence in Financial Reporting” is an award program offered by the Government Finance Officers Association of the United States and Canada (GFOA). This Award Program has three key objectives:

- Recognize governments that issue a high-quality ACFR.
- Encourage governments to prepare an easily readable and understandable Financial Report.
- Provide educational materials, comments, and suggestions for improvements to program participants.

The City of Fridley, Minnesota has been awarded the Certificate of Achievement for Excellence in Financial Reporting every year since 2011.

Continued participation in this program demonstrates the City’s commitment to financial reporting.



SUMMARY OF FINANCIAL ACTIVITY

Individual fund information is presented in several different sections of the document. As such, a summary of financial activity (rounded to the nearest 1,000) of the City's Governmental Funds for the year ended December 31, 2024 is presented below:

Fund Type	Revenues	Expenditures	Interfund Transfers (Net)	Increase (Decrease) in Fund Balance	Fund Balance 12/31/2024
General Fund	\$23,398,000	\$22,700,000	\$191,000	\$889,000	\$13,775,000
Special Revenue Funds	1,970,000	2,020,000	(148,000)	(198,000)	1,428,000
Debt Service Funds	6,186,000	6,031,000	(31,000)	124,000	5,505,000
Capital Project Funds	7,093,000	10,504,000	145,000	(3,266,000)	33,610,000
Total	<u>\$38,647,000</u>	<u>\$41,255,000</u>	<u>\$157,000</u>	<u>(\$2,451,000)</u>	<u>\$54,318,000</u>

Additional detail by fund is presented on the next page.

City of Fridley, Minnesota

Audit Management Letter

Financial Statement Summary

Fund	Other Sources and Revenues	Expenditures	Interfund Transfers (Net)	Change in Fund Balance/ Net Position	Fund Balance/ Net Position 12/31/2024
General	\$23,398,000	\$22,700,000	\$191,000	\$889,000	\$13,775,000
Special Revenue:					
Cable TV	342,000	467,000	-	(125,000)	963,000
Solid Waste Abatement	550,000	529,000	-	21,000	118,000
Drug and Gambling Forfeiture	15,000	71,000	-	(56,000)	80,000
Police Activity	211,000	203,000	-	8,000	17,000
Springbrook Nature Center	775,000	750,000	-	25,000	250,000
CARES/ARPA	77,000	-	(148,000)	(71,000)	-
Debt Service:					
Debt Service Fund	6,186,000	6,031,000	(31,000)	124,000	5,505,000
Capital Project:					
Building Improvements	86,000	15,000	-	71,000	1,897,000
Park Improvements	1,599,000	3,979,000	(238,000)	(2,618,000)	13,493,000
Street Improvements	2,169,000	2,812,000	152,000	(491,000)	1,515,000
Information System Improvement	586,000	677,000	-	(91,000)	243,000
Capital Equipment	1,884,000	2,919,000	200,000	(835,000)	1,554,000
Special Assessment	67,000	99,000	-	(32,000)	(20,000)
Community Investment	702,000	3,000	31,000	730,000	14,928,000
Enterprise:					
Liquor	6,122,000	5,860,000	(389,000)	(127,000)	2,196,000
Water	5,372,000	3,533,000	75,000	1,914,000	19,561,000
Sewer	9,196,000	7,105,000	73,000	2,164,000	12,705,000
Storm Water	2,835,000	1,575,000	84,000	1,344,000	13,664,000
Internal Service:					
Employee Benefits	2,143,000	1,434,000	-	709,000	(11,467,000)
Self Insurance	328,000	364,000	-	(36,000)	780,000
HRA:					
General	1,120,000	925,000	-	195,000	20,033,000
Housing Loan	814,000	171,000	736,000	1,379,000	4,908,000
Tax Increment	8,127,000	3,874,000	(736,000)	3,517,000	1,811,000
Total	\$74,704,000	\$66,096,000	\$ -	\$8,608,000	\$118,509,000

City of Fridley, Minnesota

Audit Management Letter

Property Taxes

Property Tax Collection

The City of Fridley continues to have a strong property tax collection rate. A schedule of the collection rate for the past seven years is as follows:

Year	Certified Tax Levy	Collection Rate
2018	14,807,913	99.9%
2019	15,494,419	99.0%
2020	16,109,557	99.5%
2021	16,890,094	99.7%
2022	17,392,070	99.6%
2023	19,620,870	99.2%
2024	20,577,799	99.0%

GENERAL FUND

The General Fund balance increased \$889,139 during 2024. A budgetary comparison for 2024 is as follows:

	Budget	Actual	Budget Variance
Revenues and other sources	\$22,574,400	\$23,397,885	\$823,485
Expenditures	22,801,700	22,699,546	(102,154)
Revenues over (under) expenditures	(227,300)	698,339	721,331
Transfers from other funds	542,500	542,500	-
Transfers to other funds	(315,200)	(351,700)	(36,500)
Total transfers	227,300	190,800	(36,500)
Net change in fund balance	\$ -	889,139	\$684,831
Fund Balance - January 1		12,885,809	
Fund Balance - December 31		\$13,774,948	

Detail of the preceding budget variances is presented in Exhibit B-1 of the 2024 Annual Comprehensive Financial Report. A summary of the significant budget variances are as follows:

Revenues:

Investment income exceeded budget by approximately \$385,500 which includes a to year-end market value adjustment.

Other sources were over budget primarily related to the issuance of a subscription-based IT arrangement (SBITA) for approximately \$300,000.

City of Fridley, Minnesota

Audit Management Letter

General Fund

Expenditures:

Total General Fund expenditures were within 99.5% of budget. Expenditures in total were less than the final budgetary estimates by \$102,154. Less staff were required for elections than anticipated by \$35,615 and legal costs also came in below budget by \$28,978.

Fund balance:

The fund balance of the General Fund was \$13,774,948 as of December 31, 2024. Further detail on the components of fund balance is as follows:

Fund Balance Component	December 31, 2024 Amount	December 31, 2023 Amount
Nonspendable	\$281,232	\$258,652
Restricted	1,163,646	1,381,489
Unassigned:		
Cash flow purposes	12,146,650	11,245,668
Remaining balance	183,420	-
Total	<u>\$13,774,948</u>	<u>\$12,885,809</u>

**City of Fridley,
Minnesota**

Audit Management Letter

*General Fund***Fund Balance – Cash Flow Purposes**

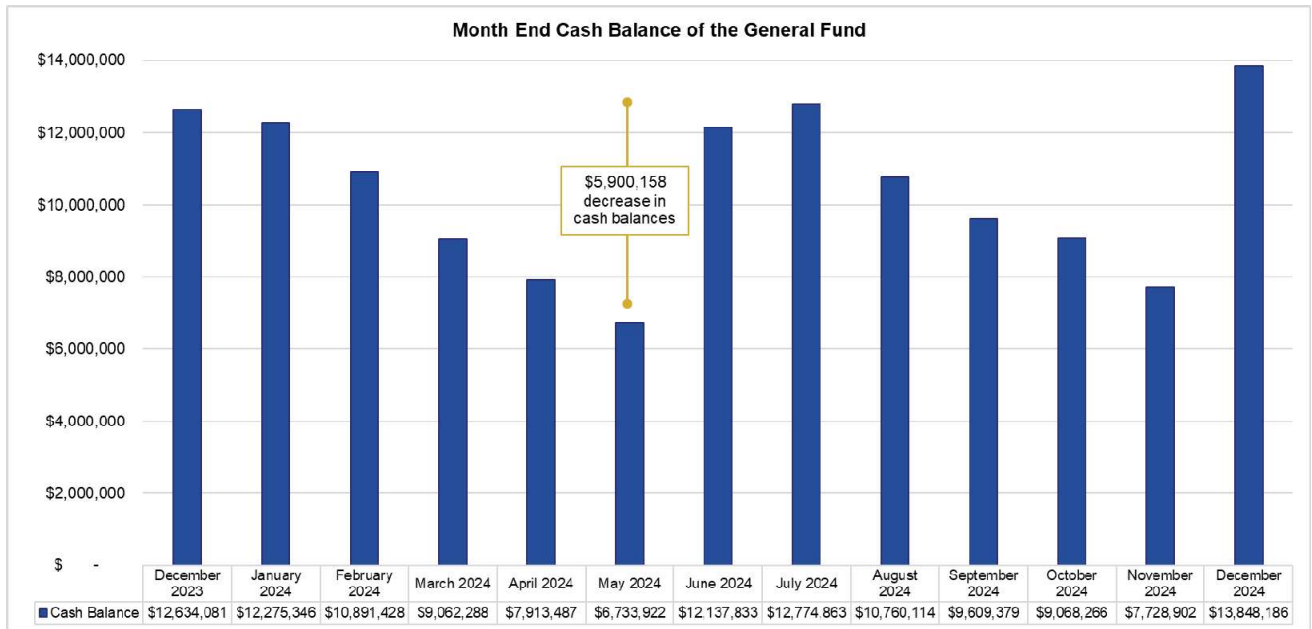
Over 69% of General Fund revenue is from property taxes and Local Government Aid (LGA). These monies are not received until the second half of the fiscal year. As such, working capital is necessary for cash flow operations during the first half of the year. In 2011, the City approved an unassigned General Fund Balance policy. The policy is to maintain a General Fund balance in the range of 35% - 50% of the subsequent years budgeted expenditures. The unassigned General Fund balance at December 31, 2024 was \$12,330,770 which is 50.7% of the 2025 budgeted expenditures of \$24,293,300. The City has a policy of transferring amounts over 50% to the Community Investment Fund.

City of Fridley, Minnesota

Audit Management Letter

General Fund

The following chart of General Fund monthly cash balances illustrates the need for working capital.



City of Fridley, Minnesota

Audit Management Letter

Special Revenue Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are a classification of funds to account for revenues (and related expenditures) segregated by City policy or Federal or State Statutes for specific purposes. The City maintained six Special Revenue Funds during 2024 as follows:

Fund	Revenues and Other Sources	Expenditures and Other Uses	Interfund Transfers Net	Net Change in Fund Balance	12/31/2024 Fund Balance (Deficit)
Cable TV	\$341,533	\$467,278	\$ -	(\$125,745)	\$962,578
Solid Waste Abatement	550,289	528,553	-	21,736	118,966
Drug and Gambling Forfeiture	15,315	70,651	-	(55,336)	80,875
Police Activity	211,489	203,491	-	7,998	16,535
Springbrook Nature Center	775,456	749,707	-	25,749	250,534
CARES/ARPA	77,447	-	(147,707)	(70,260)	-
Totals	<u>\$1,971,529</u>	<u>\$2,019,680</u>	<u>(\$147,707)</u>	<u>(\$195,858)</u>	<u>\$1,429,488</u>

Springbrook Nature Center

Similar to the City's General Fund, the Springbrook Nature Center Fund's primary revenue source is property taxes. Due to the timing of receipt of property taxes (July and December), a reserve is needed to fund operations between property tax receipts. A recommended reserve amount is 50% of the annual tax levy, which is approximately \$270,000.

CARES/ARPA

This fund was established in 2021 to account for the federal Coronavirus Relief Fund monies. The fund was closed as of December 31, 2024.

DEBT SERVICE FUNDS

Debt Service Funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than Enterprise Fund debt).

Current governmental reporting standards do not provide for the matching of long-term debt with its related financing sources. Although this information can be found in the City's Financial Report, it is located in several different sections of the Financial Report. The following schedule extracts information from these different sections to provide an overview analysis of long-term debt and its related funding.

Bond Issue	Fund Balance at 12/31/2024	Debt Payable at 12/31/2024	Source of Repayment
General Obligation Bonds:			
G.O. CIP Bonds, Series 2017A (Civic Campus)	3,257,432	40,245,000	Property taxes
G.O. Tax Increment Bonds, 2019A	423,894	9,510,000	Tax increment
G.O. Tax Increment Bonds, 2020A	201,003	1,680,000	Tax increment
G.O. Tax Abatement Bonds, 2022A	1,622,461	19,765,000	Property taxes
Total	<u>\$5,504,790</u>	<u>\$71,200,000</u>	

CAPITAL PROJECTS FUNDS

The financial activity of the Capital Project Funds for 2024 was as follows:

Fund	Revenue	Expenditures	Interfund Transfers	Change in Fund Balance	Fund Balance 12/31/2024	Comments
Street Improvements	\$2,169,313	\$2,811,819	\$151,700	(\$490,806)	\$1,515,154	Expenditures include the 2024 Street Rehab projects and the 53rd Avenue trail and turn-about.
Special Assessment Construction Capital Projects	66,621	98,745	-	(32,124)	(20,383)	
Building Improvements	86,076	14,898	-	71,178	1,897,454	
Park Improvements	1,598,636	3,978,912	(237,604)	(2,617,880)	13,493,374	Expenditures primarily relate to the Park System Improvement plan, namely the Moore Lake Project.
Information System Improvement	586,294	677,463	-	(91,169)	242,740	
Capital Equipment	1,883,876	2,918,960	200,000	(835,084)	1,554,058	Public safety equipment and vehicle leases.
Community Investment	702,105	3,027	30,730	729,808	14,927,617	Created in 2018 and funded by interfund transfers from the Closed Bond Fund. This fund will begin contributing to the Park System Improvement Plan in 2026.
Totals	<u>\$7,092,921</u>	<u>\$10,503,824</u>	<u>\$144,826</u>	<u>(\$3,266,077)</u>	<u>\$33,610,014</u>	

City of Fridley, Minnesota

Audit Management Letter

Enterprise Operating Funds

ENTERPRISE OPERATING FUNDS

The City maintains four Enterprise Operating Funds. The financial statements for these funds are presented in Exhibits A-6 through A-8 of the 2024 Annual Comprehensive Financial Report.

Summary of Cash Flow

	Liquor	Water	Sewer	Storm Water	Total
Cash flows from operating activities	\$490,570	\$2,000,484	\$1,228,657	\$881,246	\$4,600,957
Cash flows from financing activities:					
Intergovernmental revenue	-	163,577	1,500,268	6,608	1,670,453
Transfer from other funds	-	75,000	72,707	83,604	231,311
Transfer to other funds	(388,500)	-	-	-	(388,500)
Cash flows from capital and related financing activities:					
Debt service	(35,777)	(414,527) ^a	(8,423)	(2,000)	(460,727)
Purchase of capital assets	-	(1,139,981) ^b	(1,442,618) ^d	(850,982) ^c	(3,433,581)
Capital grants	-	4,367	24,773	227,807	256,947
Interfund loan	-	(503,444)	(40,000)	(35,000)	(578,444)
Lease related	(131,926)	(14,366)	19,222	-	(127,070)
All other	-	(11,505)	-	690	(10,815)
Cash flows from investing activities:					
Investment income	59,691	399,204	190,552	191,554	841,001
Net change in cash and investments	<u>(\$5,942)</u>	<u>\$558,809</u>	<u>\$1,545,138</u>	<u>\$503,527</u>	<u>\$2,601,532</u>
Cash and investments - December 31	<u>\$1,556,016</u>	<u>\$1,105,127</u>	<u>\$501,121</u>	<u>\$597,137</u>	<u>\$3,759,401</u>

^a - includes principal payments of \$285,000.

^b - includes the following activity:

\$179,549	Locke Part water treatment project
\$505,220	Water lines replacement

^c - includes the following activity:

\$383,350	Danube Pond/ Farr Lake - Water Quality project
\$188,800	Sylvan Hills Park Stormwater improvement

^d - Sanitary Sewer lines

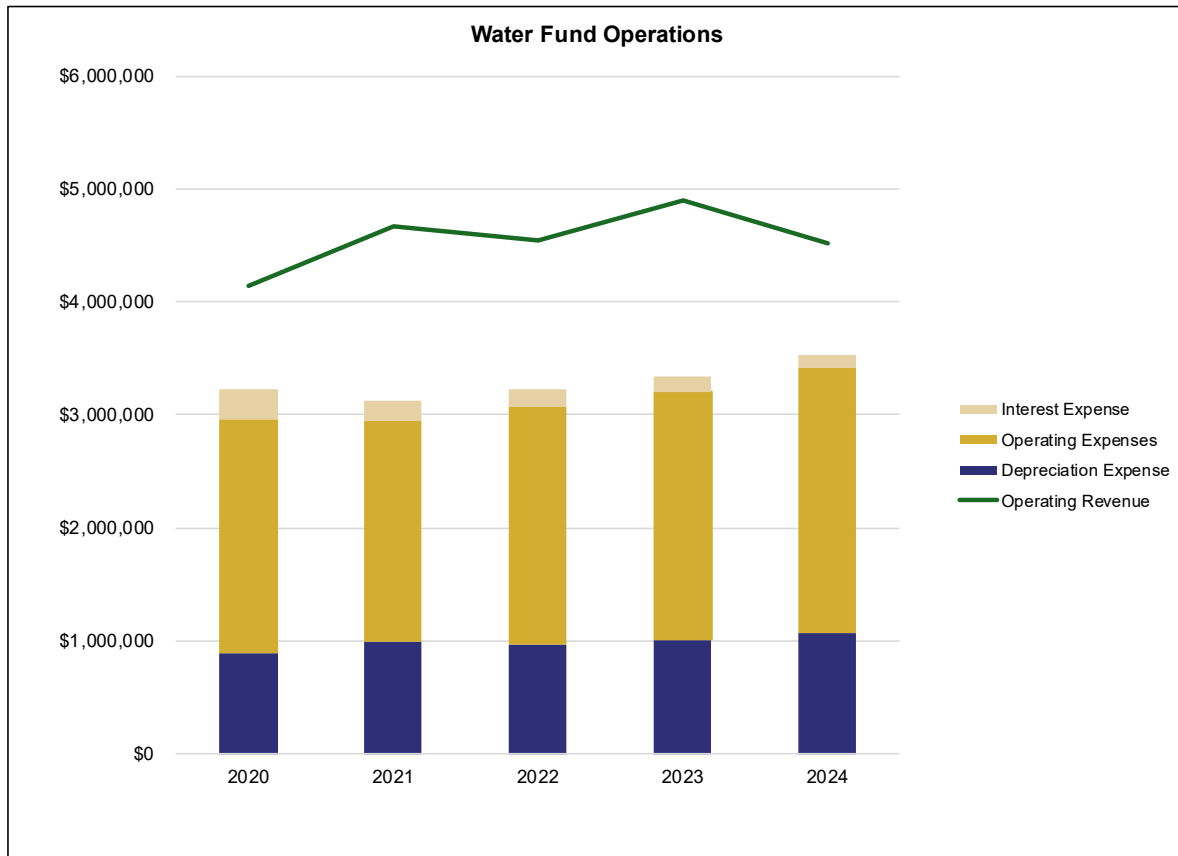
City of Fridley, Minnesota

Audit Management Letter

Enterprise Operating Funds

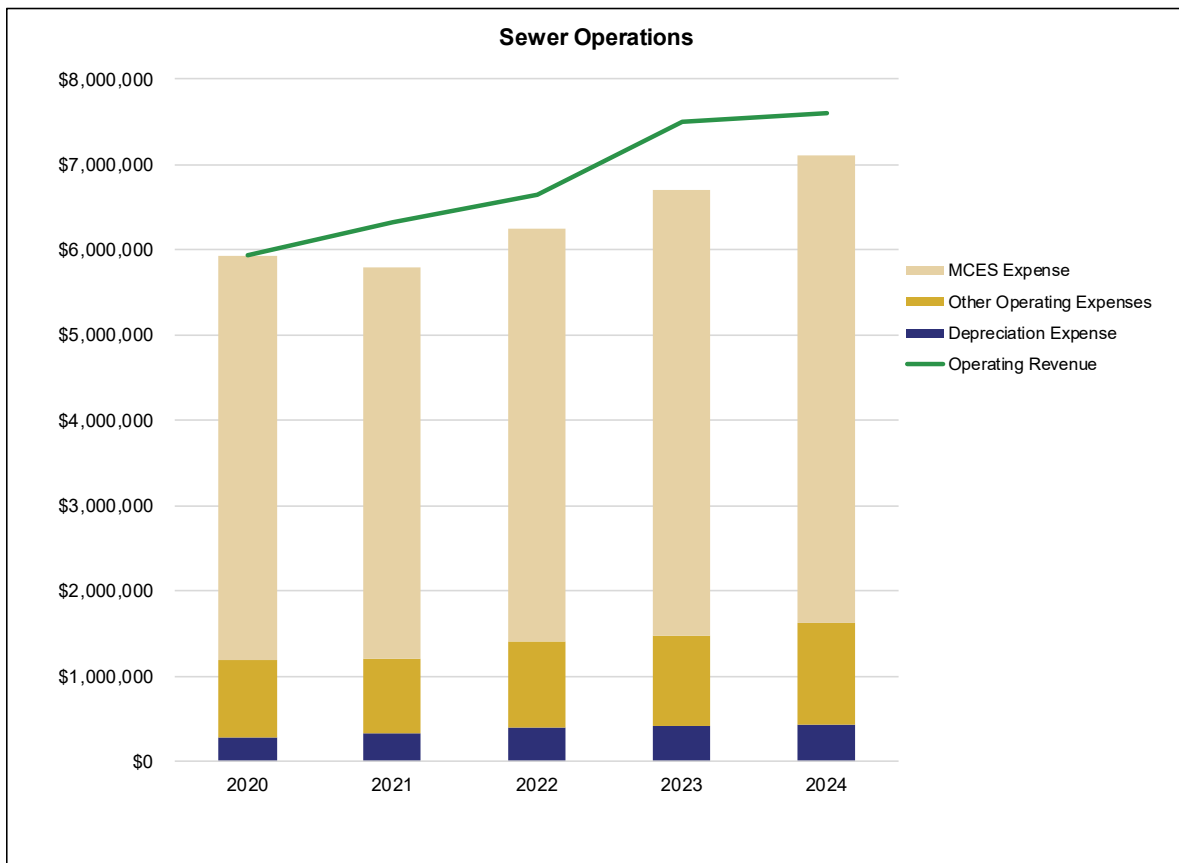
Water Operations

A chart of income and expense from operations is presented below:



**City of Fridley,
Minnesota****Audit Management Letter*****Enterprise Operating Funds*****Sewer Operations**

A chart of income and expense from operations is presented below:



City of Fridley, Minnesota

Audit Management Letter

Enterprise Operating Funds

Storm Water Operations

The Storm Water Operations Fund is designed to accumulate resources for future storm water systems and/or improvements to existing systems. Operating expenses consist primarily of maintenance costs.

A chart of income and expense from operations is presented below:



City of Fridley, Minnesota

Audit Management Letter

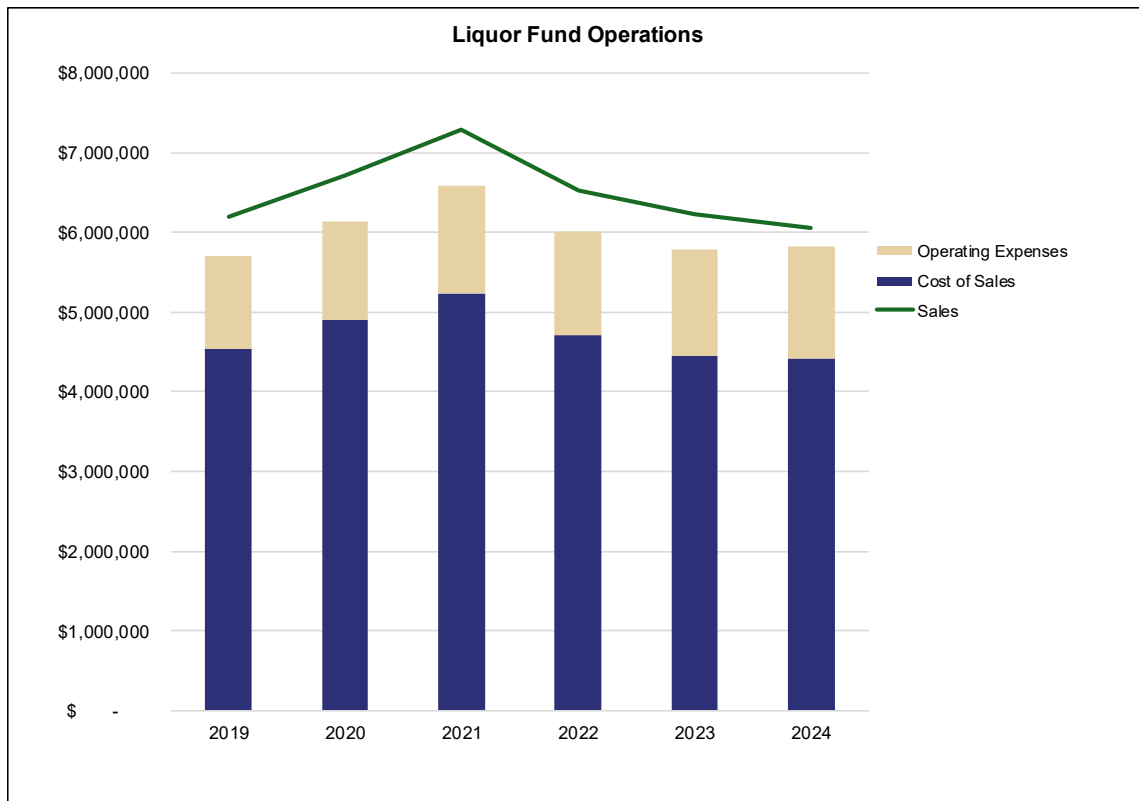
Enterprise Operating Funds

Municipal Liquor Fund

A summary of operations for the past three years is as follows:

	2022		2023		2024	
	Amount	Percent	Amount	Percent	Amount	Percent
Sales	\$6,521,618	100.0%	\$6,230,594	100.0%	\$6,062,071	100.0%
Cost of sales	4,713,669	72.3%	4,443,563	71.3%	4,410,176	72.8%
Gross profit	1,807,949	27.7%	1,787,031	28.7%	1,651,895	27.2%
	\$13,043,236					
Operating expenses:						
Personal services	660,604	10.1%	713,095	11.4%	735,094	12.1%
Supplies and other charges	467,363	7.2%	458,474	7.4%	488,732	8.1%
Depreciation and amortization	179,886	2.8%	178,782	2.9%	190,716	3.1%
Total operating expense	1,307,853	20.1%	1,350,351	21.7%	1,414,542	23.3%
Operating income	\$500,096	8%	\$436,680	7%	\$237,353	4%

A chart of income and expense from operations for the past six years is presented below.



City of Fridley, Minnesota

Audit Management Letter

Housing and Redevelopment Authority

HOUSING AND REDEVELOPMENT AUTHORITY

Financial reporting standards require a City's Annual Comprehensive Financial Report to include all component units of the City.

The definition of a component unit is "a legally separate organization for which the elected officials of the primary government [City of Fridley] are financially accountable." The Housing and Redevelopment Authority (HRA) is considered a component unit of the City for financial reporting purposes.

Detail of the funds included in the HRA is presented in Exhibits F-1 through F-4 of the 2024 Annual Comprehensive Financial Report.

A summary of the individual funds is as follows:

District No.	Name	Revenue	Expenditures	Interfund Transfers	Change in Fund Balance	Fund Balance 12/31/2024
	General Fund	\$1,119,514	\$924,884	\$ -	\$194,630	\$20,033,081
	Housing Loan Fund	814,111	170,835	735,659	1,378,935	4,907,437
	Subtotal	1,933,625	1,095,719	735,659	1,573,565	24,940,518
	Tax Increment Funds:					
6	Lake Pointe	747,768	672,109	-	75,659	(17,880)
12	McGlynn Bakery	-	398	-	(398)	-
13	Satellite Lane Apartments	19,845	47,827	-	(27,982)	502,397
17	Gateway East	54,795	4,903	-	49,892	(18,463)
18	Gateway West	54,251	8,185	-	46,066	(99,300)
19	Main Street	201,041	186,048	-	14,993	15,575
21	Gateway Northeast	855,995	76,849	-	779,146	(1,084,420)
HR1	Housing Replacement	75,113	1,563	-	73,550	330,759
20	BAE Northern Stacks	2,852,408	1,135,134	(735,659)	981,615	4,223,598
20A	BAE Hazardous Sub District	257,078	83,681	-	173,397	(2,129,899)
22	Northstar Transit Station	1,838,900	666,267	-	1,172,633	4,126,995
23	Locke Point Park	265,065	172,916	-	92,149	(4,096,560)
24	Northern Stacks VIII	108,001	97,783	-	10,218	(13,274)
25	Holly Center	793,040	717,420	-	75,620	76,573
26	Moon Plaza	3,860	2,635	-	1,225	(4,659)
	Subtotal	8,127,160	3,873,718	(735,659)	3,517,783	1,811,442
	Total	\$10,060,785	\$4,969,437	\$0	\$5,091,348	\$26,751,960

City of Fridley, Minnesota

Audit Management Letter

Housing and Redevelopment Authority

Individual funds that report a deficit have financed the deficit by an interfund loan from the HRA's General Fund. A schedule of interfund loans as of December 31, 2024 is as follows:

Fund	Due From	Due To
General	\$7,479,055	\$ -
Lake Pointe	-	21,303
Gateway East	-	20,291
Gateway West	-	100,578
Gateway Northeast	-	1,100,946
BAE Hazardous Sub District	-	2,129,569
Moon Plaza	-	6,119
Locke Point Park	-	4,100,249
Total	<u>\$7,479,055</u>	<u>\$7,479,055</u>

If any of the above balances are not expected to be repaid within a reasonable time, accounting standards require that they be reclassified as a transfer. We recommend that the HRA review the likelihood of repayment of the above loans and authorize transfers for any that may not be repaid.

ACCOUNTING STANDARDS

Governmental Accounting Standards Board (GASB) statements that are required to be implemented in future years that may affect the City are as follows:

Statement No. 102 *Certain Risk Disclosures*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103 *Financial Reporting Model Improvements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets*. The provisions of this Statement are effective for Reporting periods beginning after June 15, 2025.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Fridley for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 2, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024, except that the City implemented Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* for purposes of reporting a change in major funds. The implementation of this standard did not have a material effect on the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements are the:

- present value of the lease receivable
- present value of the lease liability
- present value of the subscription liability
- land held for resale
- estimates used to calculate the net pension liability, the pension related deferred outflows and inflows of resources, and pension expense

These estimates are based on the City's estimated incremental borrowing rate upon commencement of the leases, estimated net realizable value and actuarial studies. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosures most likely to be considered sensitive are Note 8 – Defined Benefit Pension Plans and Note 21 – Subsequent Events.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Financial Statement Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individual or in the aggregate, to each opinion unit's financial statements as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 2, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters**RSI and Supplementary Information**

We applied certain limited procedures to the management’s discussion and analysis, the budgetary comparison information reported as RSI, the schedule of proportionate share of net pension liability, the schedule of pension contributions, OPEB related RSI, and the notes to required supplementary information which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on that RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, statistical section and other information section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City of Fridley's City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the City Council
City of Fridley, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Fridley, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Fridley, Minnesota's basic financial statements, and have issued our report thereon dated June 2, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Fridley, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Fridley, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Fridley, Minnesota's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

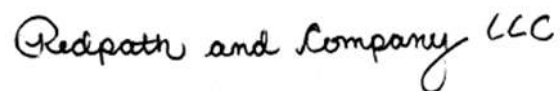
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Fridley, Minnesota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Fridley, Minnesota's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Fridley, Minnesota's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 2, 2025



MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Mayor and
Members of City Council
City of Fridley, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fridley, Minnesota as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Fridley, Minnesota's basic financial statements, and have issued our report thereon dated June 2, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Fridley, Minnesota failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Redpath and Company LLC".

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 2, 2025



AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Jim Kosluchar, Director of Public Works
 Brandon Brodhag, Assistant City Engineer
 Rachel Workin, Environmental Planner

Title

Resolution No. 2025-66, Authorizing Application to the US Department of Transportation for University Avenue Corridor Safety Improvements Under the Safe Streets for All (SS4A) Program

Background

In recent years, the City Council, staff, and residents actively participated in planning efforts to envision and identify safety improvements along the Trunk Highway 47 (TH47 or University Avenue) in Fridley. An initial public engagement effort convened by the City and the Minnesota Department of Transportation (MnDOT) resulted in a summary report with final recommendations that was presented to the City Council on June 24, 2019. Included in the recommendations in this report were suggested improvements to enhance safety and improve corridor aesthetics.

The University Avenue corridor between Minneapolis and Blaine has become a critical concern for public safety, as the 6.5-mile study corridor leads the state in pedestrian fatalities. Fourteen fatal pedestrian crashes have occurred along the study corridor in the last 10 years (2014 through Sept. 2024). The corridor's high number of crashes involving non-motorized users underscores the urgent need for safety improvements. MnDOT has conducted a comprehensive analysis of crashes and traffic operations aimed at developing solutions to improve safety and mobility. The first step was to complete a Planning and Environmental Linkages (PEL) Study to determine several high-level visions for the corridor. Completed in 2024, the PEL Study identified four broad visions for the corridor.

Most recently, MnDOT completed an Implementation Plan for Trunk Highway 47 in early 2025. Building from the four visions in the PEL study, a more detailed conceptual design of the corridor was completed culminating in two detailed visions for the corridor.

Vision 1 and Vision 2 capture two distinct ideas that were developed through the PEL process. As MnDOT moves forward with sequencing and funding decisions for the corridor, components of the two visions may be combined and thus additional traffic and safety analysis may be needed specific to the corridor wide improvements being considered.

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Vision 1 includes roundabouts at each intersection along TH 47 from 37th Ave to University Ave for a total of 16 roundabouts on TH 47. From 37th Ave to south of 53rd Ave, single lane roundabouts are envisioned. From 53rd Ave to University Ave, multilane roundabouts are envisioned. To ensure pedestrian safety is maximized it was assumed that pedestrian safety measures would be included at all of these new roundabouts including RRFB's or raised pedestrian crossings. Vision 2 looks to replace the existing signals with new signals along the corridor. Specifically, new signals are proposed from 37th Ave to Osborne Rd, for a total of 13 signals. North of Osborne Rd grade separated interchanges are proposed at 81st Ave, 85th Ave, and University Ave.

Due to the high number of crashes involving bicycles and pedestrians, designs were developed that prioritized safety, comfort, and mobility of non-motorized users. Each option shows a dedicated pedestrian facility from the south end of the corridor to the north end. Safe pedestrian crossings at intersections were also a priority considered throughout conceptual design. Early in the conceptual design process grade separated pedestrian crossings were evaluated at a feasibility level. In most instances it was determined that grade separated pedestrian crossings were not feasible due to the right of way acquisition that would be required. However, consideration of replacing the existing pedestrian crossing at 42nd Ave and adding a new pedestrian bridge near 85th Ave is recommended.

Vision 1 safety benefit/cost ratios are superior to those of Vision 2 on intersections of University Avenue south of Osborne Road in Fridley. Staff supports the implementation of Vision 1 improvements in the corridor and optimally would recommend their implementation in 2030 along with Metro Transit's F-Line improvements.

There are a number of corridor improvements that merit construction in 2030 but are beyond MnDOT's ability to fund. Regardless, MnDOT has indicated plans for these improvements would be developed to 95% for a potential FY 2030 construction start date. Local agencies also share in the costs of improvements, including for the City of Fridley, an estimated \$5.3 million for Vision 1 improvements or \$7.9 million for Vision 2 improvements. Anoka County would also share \$7.5 million and \$8.5 million for Vision 1 and 2 improvements, respectively. Beyond this roadway cost share, the City of Fridley may need to upgrade utilities as part of the project.

The City of Fridley is an eligible applicant for the US Department of Transportation (USDOT) Safe Streets For All (SS4A) program, and we believe the University Avenue Corridor Safety Improvements identified above make a good candidate project for funding. The maximum funding amount is \$25 million. We have identified priority intersections for conversion to roundabouts as all intersections from 53rd Avenue to 73rd Avenue. The total for construction of these improvements would be above \$41 million.

The Safe Streets and Roads for All (SS4A) grant program requires 20 percent of the total project funding to come from non-Federal sources. MnDOT has indicated their commitment to providing the match should our application be successful.

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

We have a consultant preparing the grant application under City staff guidance. The consulting fees are eligible and have been funded by a state program to assist in the preparation of federal funding applications.

The attached resolution requests approval for a funding application for Vision 1 improvements in the City of Fridley on University Avenue between 53rd Avenue and 73rd Avenue. We plan to apply for the maximum amount available under the program, \$25,000,000, by the grant deadline of June 26.

Financial Impact

The grant requires a match of 20% of total project costs, but MnDOT has indicated their commitment to provide the match, along with the engineering design and construction engineering. This will be formalized with them going forward. Grant funds would be allocated to local matches insofar as possible.

Recommendation

Staff recommend the approval of Resolution No. 2025-66, Authorizing Application to the US Department of Transportation for University Avenue Corridor Safety Improvements Under the Safe Streets for All (SS4A) Program.

Focus on Fridley Strategic Alignment

☒ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☐ Financial Stability & Commercial Prosperity	☒ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Attachments and Other Resources

- Resolution No. 2025-66

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-66**Authorizing Application to the US Department of Transportation for University Avenue Corridor Safety Improvements Under the Safe Streets for All (SS4A) Program**

Whereas, since 2018 the City of Fridley (City) and the Minnesota Department of Transportation (MnDOT), among others, have partnered to improve the safety and aesthetics of the University Avenue (Trunk Highway 47 or TH47) corridor in Fridley; and

Whereas, a summary report was provided by the community to the City and MnDOT in 2019 identifying needed safety and aesthetic improvements; and

Whereas, MnDOT conducted a Road Safety Audit and a Planning and Environmental Linkages study which concluded in 2024 and included the University Avenue corridor in Fridley which identified four broad visions for the corridor; and

Whereas, MnDOT completed an Implementation Plan for Trunk Highway 47 in early 2025 including two feasible designs for the corridor; Vision 1 which includes intersection replacement with roundabouts and Vision 2 which includes replacement of traffic signals and grade separation to the north; and

Whereas, from 2014 to 2024, fourteen fatal pedestrian crashes have occurred along the study corridor in the last 10 years (2014 through Sept. 2024); and

Whereas, the City of Fridley has identified its preference for Vision 1, which is more cost-effective and provides greater safety benefit to the community; and

Whereas, the corridor is planned to be under construction to accommodate Metro Transit's future F-Line bus rapid transit (BRT), however, funding does not exist for the Vision 1 improvements; and

Whereas, the City of Fridley is an eligible applicant for the US Department of Transportation (USDOT) Safe Streets For All (SS4A) program, and we believe the University Avenue Corridor Safety Improvements identified above make a good candidate project for funding, and the City has identified priority intersections for conversion to roundabouts as all intersections from 53rd Avenue to 73rd Avenue; and

Whereas, the total for construction of these improvements would be above \$41 million to be shared between MnDOT, the City of Fridley, and Anoka County; and

Whereas, the SS4A grant program requires 20% of the total project funding to come from non-Federal sources and MnDOT has indicated their commitment to providing the match should an application be successful.

Now, therefore be it resolved, that the City Council of the City of Fridley, hereby directs the Public Works Director/City Engineer to

1. Make application for funding of up to \$25,000,000 and execute and provide any additional documentation necessary to effect reimbursement of cost share grant funds to the US Department of Transportation for University Avenue Corridor Safety Improvements Under the Safe Streets for All (SS4A) Program,
2. Effect a formal commitment from MnDOT to provide the match commitment, design engineering, and construction management for the project.

Passed and adopted by the City Council of the City of Fridley this 9th day of June, 2025.

Dave Ostwald – Mayor

Attest:

Melissa Moore – City Clerk

TH 47 Implementation Plan

DRAFT

JANUARY 2025

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The Trunk Highway 47 (TH 47) corridor between Minneapolis and Blaine has become a critical concern for public safety, as the 6.5-mile study corridor leads the state in pedestrian fatalities. Fourteen fatal pedestrian crashes have occurred along the study corridor in the last 10 years (2014 through Sept. 2024). The corridor's high number of crashes involving non-motorized users underscores the urgent need for safety improvements. The Minnesota Department of Transportation (MnDOT) has conducted a comprehensive analysis of crashes and traffic operations aimed at developing solutions to improve safety and mobility. The first step was to complete a Planning and Environmental Linkages (PEL) Study to determine several high-level visions for the corridor. Completed in 2024, the PEL Study identified four broad visions for the corridor. Building from those four visions, a more detailed conceptual design of the corridor was completed culminating in two more detailed visions for the corridor as detailed below.

VISION 1

Vision 1 includes roundabouts at each intersection along TH 47 from 37th Ave to University Ave for a total of 16 roundabouts on TH 47. From 37th Ave to south of 53rd Ave, single lane roundabouts are envisioned. From 53rd Ave to University Ave multilane roundabouts are envisioned. To ensure pedestrian safety is maximized it was assumed that pedestrian safety measures would be included at all of these new roundabouts including RRFB's or raised pedestrian crossings. [Appendix A](#) shows the conceptual layout of Vision 1.

VISION 2

Vision 2 looks to replace the existing signals with new signals along the corridor. Specifically, new signals are proposed from 37th Ave to Osborne Rd, for a total of 13 signals. North of Osborne Rd grade separated interchanges are proposed at 81st Ave, 85th Ave, and University Ave. [Appendix B](#) shows the conceptual layout of Vision 2.

Vision 1 and Vision 2 capture two distinct ideas that were developed through the PEL process. As MnDOT moves forward with sequencing and funding decisions for the corridor, components of the two visions may be combined and thus additional traffic and safety analysis may be needed specific to the corridor wide improvements being considered.

Due to the high number of crashes involving bicycles and pedestrians, designs were developed that prioritized safety, comfort, and mobility of non-motorized users. Each option shows a dedicated pedestrian facility from the south end of the corridor to the north end. Safe pedestrian crossings at intersections were also a priority considered throughout conceptual design. Early in the conceptual design process grade separated pedestrian crossings were evaluated at a feasibility level. In most instances it was determined that grade separated pedestrian crossings were not feasible due to the right of way acquisition that would be required. However, consideration of replacing the existing pedestrian crossing at 42nd Ave and adding a new pedestrian bridge near 85th Ave is recommended.

The success of planned improvements on the TH 47 from 37th Ave to the north junction of University Ave depends on close collaboration between several partnering agencies. Each agency plays a distinct role in ensuring the project is completed efficiently and effectively. By leveraging the strengths and knowledge of each agency, the project aims to deliver a cohesive and well-integrated set of improvements that meet the needs of all stakeholders. Below is an overview of the agencies involved, their jurisdictional boundaries in relation to the project, and their coordinated efforts.

METRO TRANSIT

METRO Transit operates a coordinated system of local and regional bus routes through this area. Metro Transit's sixth arterial bus rapid transit line, the Metro F Line, is significant investment planned to provide faster and more reliable transit service in the Route 10 corridor between downtown Minneapolis and Northtown Transit center. The proposed METRO F Line Bus Rapid Transit (BRT) will run on the corridor from 53rd Ave to the Northtown Transit Center at 85th Ave. There will be BRT stops at each intersection that has a signal or roundabout. Metro Transit has additional local service routes along and across the corridor which will require coordination. Contacts with Metro Transit for this project have been **Alicia Valenti** and **Frank Alarcon**.

For more information on METRO F Line, you can review the corridor plan here: [F Line Project - Metro Transit](#).

CITY OF MINNEAPOLIS

Representing the southern terminus of the project, Minneapolis' coordination is vital for ensuring smooth transitions between the different sections of University Ave. Minneapolis has jurisdiction in the 37th Ave intersection.

CITY OF COLUMBIA HEIGHTS

Columbia Heights is located along the southern section of the corridor. They have jurisdiction associated with several intersections along the corridor, including 37th Ave, 44th Ave, and 53rd Ave. Columbia Heights' coordination will ensure that improvements align with local development plans and address community-specific needs. Our contacts with the City of Columbia Heights have included **Kevin Hansen** and **Sulmaan Khan**.

ANOKA COUNTY

Anoka County has jurisdiction at numerous intersections along the corridor, including 40th Ave, 49th Ave, 57th Ave, Mississippi St, Osborne Rd, 85th Ave, and University Ave. Anoka County is leading projects on Mississippi St and 40th Ave west of TH 47 in 2026. They are also developing reconstruction projects on Mississippi St and 40th east of TH 47, but these are not yet scheduled for construction. The design of these roadways at the intersections with TH 47 will be coordinated. Anoka County has expressed exploring a hybrid of Visions 1 and 2 that could include grade separated interchanges in the north section, and roundabouts in the south. Our contacts with Anoka County have included **Jorge Bernal**, **Jerry Auge**, **Daniel Frey**, **Nick Dobda**, and **Joe MacPherson**.

CITY OF FRIDLEY

Fridley is located through the central and northern sections of the corridor. They have jurisdiction associated with several intersections along the corridor, including 49th Ave, 53rd Ave, 61st Ave, 69th Ave, 73rd Ave, and 81st Ave. Furthermore, Fridley is planning multiple projects that are in close proximity to the corridor, including an extension of 57th Ave to connect to East River Rd, construction of a multi-use trail on 44th Ave between Main St and East River Rd, and a street rehabilitation project for 73rd Ave between TH 47 and TH 65. Our contacts with the City of Fridley have included **Brandon Brodhag**, **Rachel Workin**, and **Jim Kosluchar**.

CITY OF SPRING LAKE PARK

Located along the northern section of the corridor Spring Lake Park's collaboration will help address local priorities and maintain alignment with regional objectives. They have jurisdiction in the 81st Ave intersection. Our contacts with the City of Spring Lake Park have included **Daniel Schluender** and **Daniel Bucholtz**.

CITY OF BLAINE

Blaine's boundaries touch portions of the northern section of the project. They share a portion of jurisdiction on the 85th Ave intersection. Also, they are coordinating with Anoka County and MnDOT to improve TH 65 from 97th Ave to 119th Ave in 2025 and 2026 which could impact traffic volumes on TH 47. Our contact with the City of Blaine has been **Brent Larson**.

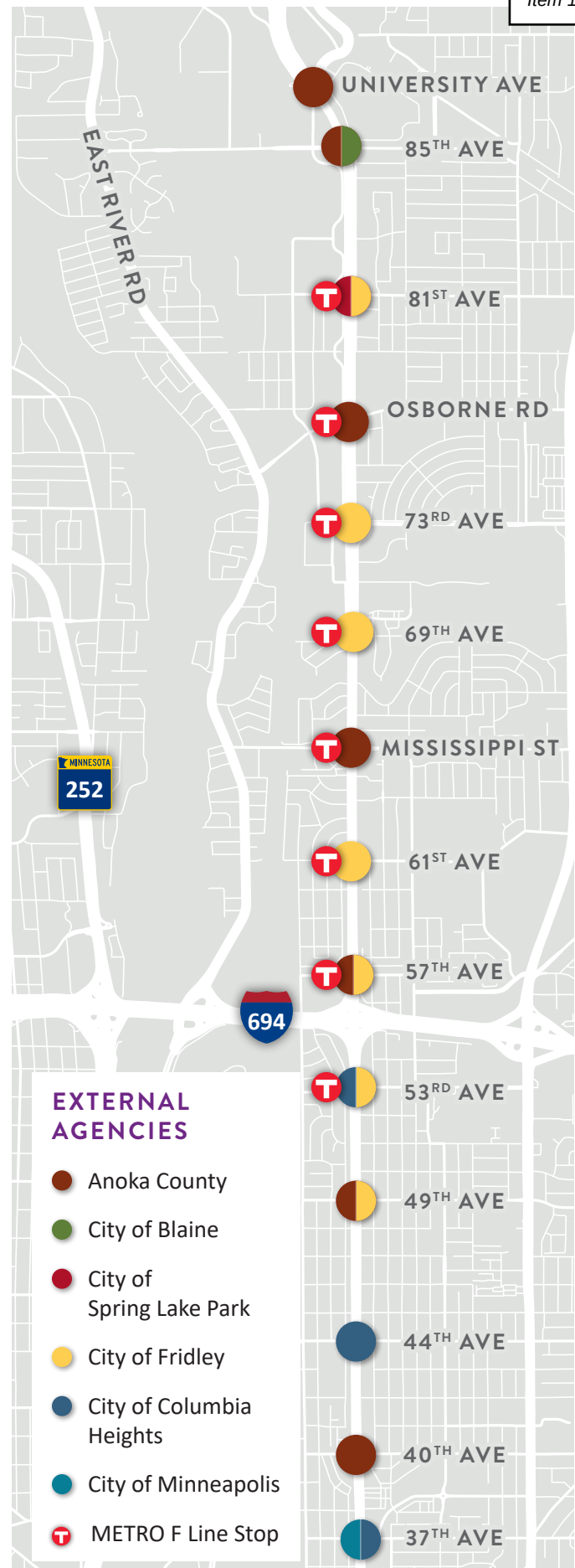
CITY OF HILLTOP

As a smaller jurisdiction near the corridor, Hilltop's participation ensures that local agencies impacted by the work, but without direct jurisdiction of any section of the corridor, are aware of the planned changes and can provide input on regional traffic patterns and business impacts.

CITY OF COON RAPIDS

While primarily situated outside the project limits, Coon Rapids' input may be required for addressing indirect impacts and ensuring regional traffic patterns are considered.

AGENCY	TAC CONTRIBUTORS
Metro Transit	Alicia Valenti, Frank Alarcon
Anoka County	Jorge Bernal, Jerry Auge, Daniel Frey, Nick Dobda, Joe MacPherson, Jack Forsland, Mark Schermerhorn
Blaine	Brent Larson
Fridley	Brandon Brodhag, Rachel Workin, Jim Kosluchar
Columbia Heights	Kevin Hansen, Sulmaan Khan
Spring Lake Park	Daniel Schluender, Daniel Bucholtz



Cost estimating is a critical component of the early planning stages of any infrastructure project. These cost estimates are intended to allow the coordinated agencies an understanding of the financial scope, allocate resources effectively, and identify funding gaps. These planning level estimates also provide a foundation for grant applications and interagency agreements, ensuring the project's feasibility and alignment with broader transportation objectives.

The conceptual design team has developed cost estimates for Vision 1, Vision 2, and the pedestrian safety enhancements. The pedestrian improvements have been broken out separately, as they can be applied to both visions regardless of which Vision is decided for the TH 47 corridor. These estimates are at a conceptual level with a contingency. Due to the number of unknown variables, a 30% contingency has been applied to ensure it captures anything that may come up during final design. A detailed breakdown of the cost estimates can be found in [Appendix C](#).

Vision 1 and Vision 2 costs have each been broken down into cost splits by agency. While the number of lanes on TH 47 for the south end of the corridor has yet to be decided, Vision 1 cost estimates assume single lane roundabouts; Vision 2 cost estimates assume a single thru lane in each direction of TH 47 from 37th Ave to 53rd Ave. See [Appendix A and B](#) for the layouts that were used to develop the cost estimates.

While many improvements are located on TH 47, there will be improvements made on local roadways as well. Therefore, local agencies will need to participate in the cost of these improvements. For Vision 1, costs are broken out based on the "Diagram of Cost and Maintenance Responsibilities at Roundabouts" figure from Appendix A of the MnDOT Document: *Cost Participation and Maintenance Responsibilities with Local Units of Government*. To see this policy applied to the corridor, please see the cost sharing graphic in [Appendix D](#). It breaks out where MnDOT will be contributing funds vs what is required of the local agencies. This cost split methods used for these estimates match current policy. MnDOT is currently considering revisions to this policy, specifically impacting roundabout cost splits, which should be incorporated into future iterations of estimates if it is adopted. The assumptions that were used for the development of the cost estimates are broken out below:

COST ESTIMATE ASSUMPTIONS

VISION 1 COST ESTIMATE ASSUMPTIONS:

1. Roundabout Pavement:
 - 7" concrete from crosswalks in toward the circle; 7" bituminous beyond the crosswalks (see graphic in [Appendix E](#))
 - 8" Aggregate Base
 - 15" Select Granular Embankment
2. Roundabout truck apron:
 - 7" Concrete
 - 7.25" Aggregate Base
 - 15" select Granular Embankment
3. Concrete Median:
 - 6" Concrete Walk
 - 6" Aggregate Base
4. Mill and overlay:
 - 3.5" Bituminous Mill
 - 3.5" Bituminous Overlay
5. Sidewalk:
 - 6" Concrete Walk
 - 6" Aggregate Base
6. Trails:
 - 4" Bituminous
 - 6" Aggregate Base
7. Excavation to be 2X the volume of Select Granular Embankment
8. No contaminated material cost has been included.
9. Roundabout lighting is 3 lights per TH 47 approach and 2 lights per Local Roadway approach.

10. Lighting:
 - Corridor - 2 lights (1 for NB, 1 for SB) per 300 ft.
 - Roundabout - 3 lights per TH 47 approach; 2 lights per local roadway approach.
 - Signal - as stated on next page
11. No cost for public or private utilities have been included.
12. Costs associated with construction of METRO F Line stations and infrastructure have not been included.
13. RRFB costs at each roundabout have been included.

VISION 2 COST ESTIMATE ASSUMPTIONS:

1. The pavement section is assumed to be 7" concrete pavement or 7" bituminous pavement. The demarcation point of concrete vs bituminous is located in [Appendix E](#).
 - 7" Concrete or Bit
 - 8" Aggregate Base
 - 15" Select Granular Embankment
2. Concrete Median:
 - 6" Concrete Walk
 - 6" Aggregate Base
3. Mill and overlay section is 3.5":
 - 3.5" Bituminous Mill
 - 3.5" Bituminous Overlay
4. Sidewalk:
 - 6" Concrete Walk
 - 6" Aggregate Base
5. Trails:
 - 4" Bituminous Walk
 - 6" Aggregate Base
6. Excavation to be 2X the volume of Select Granular Embankment
7. No contaminated material cost has been included.
8. Lighting is 4 lights per intersection in addition to the lighting of the signal systems.
9. Mill and Overlay lighting is 2 lights (1 for TH 47 NB and 1 for TH 47 SB) per 300 FT.
10. No cost for public or private utilities have been included.
11. New signal systems 37th Ave to Osborne Rd.

12. Costs associated with construction of METRO stations and infrastructure have not been included.

VISION 2 - NORTH END GRADE SEPARATED INTERCHANGE COST ESTIMATE ASSUMPTIONS:

1. The pavement section is assumed to be 7" concrete pavement or 7" bituminous pavement. The demarcation point of concrete vs bituminous is located in [Appendix E](#).
 - 7" Concrete or Bit
 - 8" Aggregate Base
 - 15" Select Granular Embankment
2. Shoulder section:
 - 4" Bituminous
 - 8" Aggregate Base
 - 15" Select Granular Embankment
3. Sidewalk:
 - 6" Concrete Walk
 - 6" Aggregate Base
4. Trails:
 - 4" Bituminous Walk
 - 6" Aggregate Base
5. All retaining walls shown are cast in place.
6. No contaminated material cost has been included.
7. No cost for public or private utilities have been included.
8. Signal systems at all ramp termini.
9. The University Service Rd NE west of TH 47 to be reconstructed from Osborne Rd to 83rd Ave.
10. All concrete median barrier to be MnDOT Standard Plan 5-297.681.
11. Costs associated with construction of METRO F Line stations and infrastructure have not been included.

MILL AND OVERLAY

MnDOT has a planned project to mill and overlay the corridor in 2030. The cost to perform this base project is estimated to be \$12,014,860 in 2025 dollars. Assuming a 5% inflation rate per year this would be an estimate of \$15,334,344 in 2030 dollars. Mill and Overlay costs are 100% covered by MnDOT, no cost participation by local agencies.

VISION 1 INTERSECTION IMPROVEMENTS AND COST

Vision 1 scope is summarized as providing roundabouts at currently signalized intersections, see **Appendix A** for the conceptual layout and **Appendix C** for the detailed breakdown of the Engineer's Opinion of Probable Cost. Below, **Table 1**, identifies the estimated cost of roundabout improvements at each intersection.

If all Vision 1 improvements are advanced together, including all roundabouts and the mill and overlay, the total estimated cost of improvements is \$114,566,617 in 2030 dollars.

The breakdown of costs by agency can also be seen below in **Table 1**.

Table 1. Vision 1 Cost Breakdown by Agency

VISION 1	MnDOT	ANOKA COUNTY	MINNEAPOLIS	COLUMBIA HEIGHTS	FRIDLEY	SPRING LAKE PARK	BLAINE	TOTAL
37th Ave	\$2,383,800	-	\$438,100	\$432,500	-	-	-	\$3,254,400
40th Ave	\$2,384,300	\$1,067,500	-	-	-	-	-	\$3,451,800
42nd Ave Ped Bridge	\$11,460,562	-	-	-	-	-	-	\$11,460,562
44th Ave	\$2,425,600	-	-	\$836,100	-	-	-	\$3,261,700
49th Ave	\$2,333,700	\$509,100	-	-	\$369,200	-	-	\$3,212,000
53rd Ave F	\$4,327,200	-	-	\$551,400	\$593,900	-	-	\$5,472,500
TH 694 EB	\$3,810,200	-	-	-	-	-	-	\$3,810,200
TH 694 WB	\$3,292,000	-	-	-	-	-	-	\$3,292,000
57th Ave F	\$4,557,600	\$850,300	-	-	\$432,500	-	-	\$5,840,400
61st Ave F	\$4,564,300	-	-	-	\$750,400	-	-	\$5,314,700
Mississippi St F	\$4,527,800	\$1,493,400	-	-	-	-	-	\$6,021,200
69th Ave F	\$4,785,800	-	-	-	\$926,700	-	-	\$5,712,500
73rd Ave F	\$4,691,000	-	-	-	\$1,457,400	-	-	\$6,148,400
Osborne Rd F	\$4,930,400	\$1,827,200	-	-	-	-	-	\$6,757,600
81st Ave F	\$4,607,300	-	-	-	\$772,100	\$496,100	-	\$5,875,500
83rd Ave F	\$1,766,000	-	-	-	-	-	-	\$1,766,000
85th Ave	\$2,927,600	\$1,164,800	-	-	-	-	\$672,900	\$4,765,300
85th Ave Ped Bridge	\$11,177,355	-	-	-	-	-	-	\$11,177,355
University Ave	\$2,412,300	\$544,500	-	-	-	-	-	\$2,956,800
Mill & Overlay*	\$15,015,700	-	-	-	-	-	-	\$15,015,700
Total	\$98,380,517	\$7,456,800	\$438,100	\$1,820,000	\$5,302,200	\$496,100	\$672,900	\$114,566,617

* Includes all work outside the intersections including mill and overlay, corridor lighting, trail

F Cost shown does not include work to construct METRO F Line Station infrastructure. Each intersection is expected to have two platforms with an anticipated construction cost of \$300,000/Platform. Total cost with all of these platforms is \$5,400,000.

VISION 2 INTERSECTION IMPROVEMENTS AND COST

Vision 2 scope is summarized as replacing signals at currently signalized intersections from 37th Ave to Osborne Rd and reconstructing the highway north of Osborne Rd to have fully grade separated interchanges. Below, **Table 2**, identifies the estimated cost of intersection improvements at each intersection from 37th Ave to Osborne Rd. The estimated cost to reconstruct TH 47 north of Osborne Rd to achieve the fully grade separated interchanges labeled as “North End”.

If all Vision 2 improvements are advanced together, including all signals, the mill and overlay, and grade separated interchanges the total estimated cost of improvements is \$257,282,117 in 2030 dollars.

Table 2. Vision 2 Cost Breakdown by Agency

VISION 2	MnDOT	ANOKA COUNTY	MINNEAPOLIS	COLUMBIA HEIGHTS	FRIDLEY	SPRING LAKE PARK	BLAINE	TOTAL
37th Ave	\$3,943,700	-	\$711,200	\$913,600	-	-	-	\$5,568,500
40th Ave	\$4,147,500	\$1,846,300	-	-	-	-	-	\$5,993,800
42nd Ave Ped Bridge	\$11,460,562	-	-	-	-	-	-	\$11,460,562
44th Ave	\$3,700,200	-	-	\$1,611,600	-	-	-	\$5,311,800
49th Ave	\$3,937,700	\$892,300	-	-	\$782,300	-	-	\$5,612,300
53rd Ave F	\$5,731,800	-	-	\$790,100	\$526,000	-	-	\$7,047,900
TH 694 EB	\$5,401,000	-	-	-	-	-	-	\$5,401,000
TH 694 WB	\$4,814,000	-	-	-	-	-	-	\$4,814,000
57th Ave F	\$5,540,300	\$890,600	-	-	\$773,900	-	-	\$7,204,800
61st Ave F	\$5,255,300	-	-	-	\$1,999,800	-	-	\$7,255,100
Mississippi St F	\$5,996,000	\$2,497,300	-	-	-	-	-	\$8,493,300
69th Ave F	\$5,671,400	-	-	-	\$1,578,800	-	-	\$7,250,200
73rd Ave F	\$6,270,700	-	-	-	\$2,219,300	-	-	\$8,490,000
Osborne Rd F	\$6,474,600	\$2,374,300	-	-	-	-	-	\$8,848,900
North End F	\$134,530,500	-	-	-	-	-	-	\$134,530,500
85th Ave Ped Bridge	\$11,177,355	-	-	-	-	-	-	\$11,177,355
Mill & Overlay*	\$12,822,100	-	-	-	-	-	-	\$12,822,100
Total	\$236,874,717	\$8,500,800	\$711,200	\$3,315,300	\$7,880,100	\$0	\$0	\$257,282,117

* Includes all work outside the intersections including mill and overlay, corridor lighting, trail

F Cost shown does not include work to construct METRO F Line Station infrastructure. Each intersection is expected to have two platforms with an anticipated construction cost of \$300,000/Platform. Total cost with all of these platforms is \$5,400,000.

Comparison of Vision 1 and Vision 2 costs in **Table 3** below you can see the breakdown of anticipated costs by agency between Vision 1 and Vision 2 if the improvements were all able to be delivered together in 2030. Note that the Vision 2 North End cost is currently shown as 100% MnDOT funded, but would likely require local agency participation that is better defined with a further advanced design.

Table 3. Vision 1 and Vision 2 Cost Comparison

INTERSECTION	MNDOT		ANOKA COUNTY		MINNEAPOLIS		COLUMBIA HEIGHTS		FRIDLEY		SPRING LAKE PARK		BLAINE		TOTALS	
	VISION 1	VISION 2	VISION 1	VISION 2	VISION 1	VISION 2	VISION 1	VISION 2	VISION 1	VISION 2	VISION 1	VISION 2	VISION 1	VISION 2	VISION 1	VISION 2
37th Ave	\$2,383,800	\$3,943,700	-	-	\$438,100	\$711,200	\$432,500	\$913,600	-	-	-	-	-	-	\$3,254,400	\$5,568,500
40th Ave	\$2,384,300	\$4,147,500	\$1,067,500	\$1,846,300	-	-	-	-	-	-	-	-	-	-	\$3,451,800	\$5,993,800
42nd Ave Ped Bridge	\$11,460,562	\$11,460,562	-	-	-	-	-	-	-	-	-	-	-	-	\$11,460,562	\$11,460,562
44th Ave	\$2,425,600	\$3,700,200	-	-	-	-	\$836,100	\$1,611,600	-	-	-	-	-	-	\$3,261,700	\$5,311,800
49th Ave	\$2,333,700	\$3,937,700	\$509,100	\$892,300	-	-	-	-	\$369,200	\$782,300	-	-	-	-	\$3,212,000	\$5,612,300
53rd Ave	\$4,327,200	\$5,731,800	-	-	-	-	\$551,400	\$790,100	\$593,900	\$526,000	-	-	-	-	\$5,472,500	\$7,047,900
TH 694 EB	\$3,810,200	\$5,401,000	-	-	-	-	-	-	-	-	-	-	-	-	\$3,810,200	\$5,401,000
TH 694 WB	\$3,292,000	\$4,814,000	-	-	-	-	-	-	-	-	-	-	-	-	\$3,292,000	\$4,814,000
57th Ave	\$4,557,600	\$5,540,300	\$850,300	\$890,600	-	-	-	-	\$432,500	\$773,900	-	-	-	-	\$5,840,400	\$7,204,800
61st Ave	\$4,564,300	\$5,255,300	-	-	-	-	-	-	\$750,400	\$1,999,800	-	-	-	-	\$5,314,700	\$7,255,100
Mississippi St	\$4,527,800	\$5,996,000	\$1,493,400	\$2,497,300	-	-	-	-	-	-	-	-	-	-	\$6,021,200	\$8,493,300
69th Ave	\$4,785,800	\$5,671,400	-	-	-	-	-	-	\$926,700	\$1,578,800	-	-	-	-	\$5,712,500	\$7,250,200
73rd Ave	\$4,691,000	\$6,270,700	-	-	-	-	-	-	\$1,457,400	\$2,219,300	-	-	-	-	\$6,148,400	\$8,490,000
Osborne Rd	\$4,930,400	\$6,474,600	\$1,827,200	\$2,374,300	-	-	-	-	-	-	-	-	-	-	\$6,757,600	\$8,848,900
81st Ave	\$4,607,300	-	-	-	-	-	-	-	\$772,100	-	\$496,100	-	-	-	\$5,875,500	\$0
83rd Ave	\$1,766,000	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,766,000	\$0
85th Ave	\$2,927,600	-	\$1,164,800	-	-	-	-	-	-	-	-	-	\$672,900	-	\$4,765,300	\$0
85th Ave Ped Bridge	\$11,177,355	\$11,177,355	-	-	-	-	-	-	-	-	-	-	-	-	\$11,177,355	\$11,177,355
University Ave	\$2,412,300	-	\$544,500	-	-	-	-	-	-	-	-	-	-	-	\$2,956,800	\$0
North End Interchange	-	\$134,530,500	-	-	-	-	-	-	-	-	-	-	-	-	\$0	\$134,530,500
Mill and Overlay*	\$15,015,700	\$12,822,100	-	-	-	-	-	-	-	-	-	-	-	-	\$15,015,700	\$12,822,100
Total	\$98,380,517	\$236,874,717	\$7,456,800	\$8,500,800	\$438,100	\$711,200	\$1,820,000	\$3,315,300	\$5,302,200	\$7,880,100	\$496,100	\$0	\$672,900	\$0	\$114,566,617	\$257,282,117

* Includes all work outside the intersections including mill and overlay, corridor lighting, trail

MnDOT CURRENT FUNDING

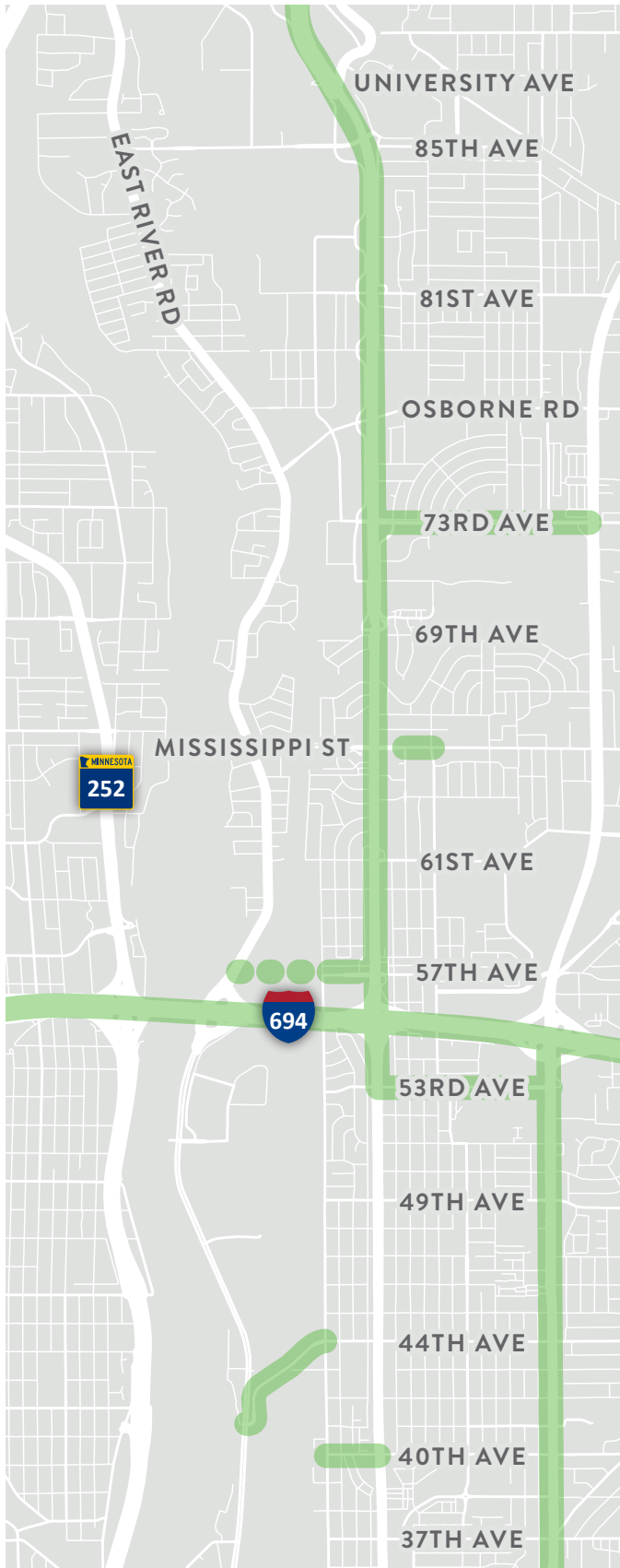
MnDOT currently has money secured in the State Transportation Improvement Program (STIP) to perform the mill and overlay work scheduled for 2030. This ensures that the most critical roadway maintenance will be executed as planned. Additionally, MnDOT intends to allocate available Highway Safety Improvement Program (HSIP) funds for 2030. For scenario planning purposes, while it is assumed that \$9M is available for an FY 2030 project, the actual amount may vary. These funds can be directed towards safety-driven improvements along TH 47, provided the improvements are the highest need of safety improvements in MnDOT’s Metro District.

After the STIP mill and overlay money and the HSIP money have been expended MnDOT Metro Traffic will be replacing any existing signal that has exceeded its planned life in 2030 as part of the ongoing signal maintenance plan. Additionally, the MnDOT Metro Bike and Pedestrian group has allocated funds for the rehabilitation or replacement of the existing pedestrian bridge over TH 47 in 2030.

This combination of STIP funding and HSIP resources positions MnDOT to address both immediate maintenance needs and long-term safety priorities, ensuring a well-rounded approach to corridor improvements.

METRO F LINE FUNDING

METRO F Line is currently scheduled to be opened at the end of 2030, with all stations and platforms expected to be available for use at this time. These improvements are slated to use Federal Transit Authority (FTA) dollars. MnDOT improvements made after 2030 would create a situation where platform reconstruction may be required, including refunding of the FTA money used in the initial construction. Additional concern with improvements made after 2030 include maintaining the use of the, then newly opened, METRO F Line operations. Metro Transit prefers to see all improvements along the proposed METRO F Line route completed ahead of their 2030 opening.



UNIVERSITY AVE LIGHTING IMPROVEMENTS

The City of Fridley will be installing lighting along the TH 47 corridor in the summer of 2025 from 53rd Ave to 85th Ave. The construction cost is \$2,000,000.

CENTRAL AVE (TH 65) IMPROVEMENTS

MISSISSIPPI RIVER TO I-694

MnDOT's Central Ave improvement's project is a full reconstruction of Central Avenue from the Mississippi River in Minneapolis to I-694 in Fridley. MnDOT and Metro Transit have partnered on this project to include the METRO F Line project with the Central Avenue improvements. The reconstruction of TH 65 will reduce the amount of general thru lanes which has the potential to impact traffic on TH 47 as these highways run parallel and in close proximity to each other. These changes could cause a lasting increase to traffic volume on TH 47. The decision to construct single- or multi-lane RABs and roadways on the south end of the TH 47 corridor will be delayed to provide an opportunity to study the impacts of these alterations. The TH 65 reconstruction is planned to begin in 2028.

More information on this project is available at the following link: <https://www.dot.state.mn.us/metro/projects/centralavempls-columbiahgts/index.html>.

METRO F LINE

Metro Transit's METRO F Line BRT project will upgrade the Route 10 corridor between downtown Minneapolis and Northtown Transit Center along TH 65 and TH 47. The project includes 25 new high-amenity stations with real time signs, off-board fare payment and bus priority signals and lanes. The TH 65 portion of the project will begin construction in 2028 as part of MnDOT's Central Ave Improvement's project. The earliest revenue service could begin is late 2030. On TH 47, there are a number of scenarios for how the F Line stations could be implemented. See Prioritization Considerations for METRO F Line Implementation considerations.

More information on this project is available at the following link: [F Line Project - Metro Transit](#).

TH 65 FROM 97TH AVE TO 119TH AVE

A project that is planned to improve TH 65 from 97th Ave to 119th Ave is in final design, as a joint effort between the City of Blaine, Anoka County, and MnDOT. Grade-separated interchanges will be implemented at several intersections along this segment, and frontage roads will be constructed to provide safer connections to local streets. Construction on this project is scheduled to begin in 2025 or 2026, depending on design and funding approvals. While this project is located north of the TH 47 corridor, potential impacts to local traffic and the transportation goals of the City of Blaine must be considered.

More information on this project is available at the following link: [Thrive on 65 | Blaine, MN](#).

MISSISSIPPI ST IMPROVEMENTS

Anoka County is planning to reconstruct Mississippi St between 5th and 7th St and construct a mini-roundabout at 7th St and Mississippi St in 2025. This intersection is adjacent to the TH 47 corridor and its impact on traffic access to TH 47 during and after construction should be considered. Additionally, the County plans to reconstruct Mississippi St from East River Rd to TH 47 in 2026. While pavement condition

is the main driver for this project, it also includes converting the four-lane roadway into a two-lane design, significant improvements to the drainage system, and the construction of trails for enhanced pedestrian accessibility. Finally, a reconstruction project for Mississippi St between TH 47 and TH 65 is in the design stage but not yet scheduled for construction. This reconstruction does not include the intersections with TH 47 and TH 65, but a joint effort to coordinate improvements at the same time could be highly beneficial. Communication with Anoka County regarding improvement schedules and funding will be key.

40TH AVE RECONSTRUCTION

Anoka County is planning to reconstruct 40th Ave from Main St (County Highway 2) to TH 47 in 2026. While the main driver for this project is pavement condition, improvements will also include non-motorized facility enhancements, stormwater design, and road diet reduction to a 2-lane configuration. Furthermore, a reconstruction project for 40th Ave between TH 47 and TH 65 is in the active design stage. Communication with Anoka County regarding these projects will be key.

57TH AVE IMPROVEMENTS

Anoka County is planning to conduct a mill and overlay on 57th Ave from Main St to TH 47 in 2025. Additionally, the City of Fridley has applied for a \$16 million Reconnecting Communities Pilot Program Grant to fund a future extension of 57th Ave over the BNSF railroad to connect to the East River Rd. This extension would include a multimodal bridge over the railroad and is intended to enhance safety and connectivity between neighborhoods. This concept was subject to a feasibility report that was published in 2020 and concluded that the improvements were achievable and would be beneficial with regard to its intended effects. Anoka County intends to replace the existing signal at East River Rd in coordination with this project. This connection would presumably cause 57th Ave to see increased traffic. While it is not known when this extension would take place, this project should be monitored and there should be an effort to coordinate with the City of Fridley to ensure the compatibility of recommended improvements to the intersection of TH 47 and 57th Ave with this potential project. It would likely be advantageous to stakeholders to synchronize these improvement efforts on 57th Ave.

TH 47 IMPROVEMENTS FROM MISSISSIPPI ST TO 85TH AVE

MnDOT is leading an ADA improvement project along TH 47 slated for construction in 2025. This project looks to make several improvements to the corridor and the existing signalized intersections from Mississippi St to 85th Ave. This includes removal of a lane near University Ave, replacement of the signal at 85th Ave, and removing a frontage road segment that currently creates confusion among drivers.

44TH AVE

Anoka County, in partnership with the City of Fridley and BNSF Railroad, has begun construction on a multi-use trail between Main St and East River Rd on 44th Ave. This project also includes signal replacement at the intersection of East River Rd with 44th Ave, bridge rehabilitation for the section that crosses the railroad, and some pavement reconstruction. Construction is scheduled to be finished in 2025. This project is taking place near the TH 47 corridor. As it is intended to improve multi-modal access, the impact of this project on local multi-modal transportation usage should be considered.

73RD AVE

The City of Fridley is conducting a corridor study from TH 47 to TH 65 on 73rd Ave, with plans for the resultant information to be used for a street rehabilitation project that is intended to commence in 2026. Key contextual considerations include flooding issues, park improvements, roadway width, and the existing frontage road. Furthermore, the City's efforts are supported by a Minnesota Pollution Control Agency (MPCA) Planning Grant that is being used for the corridor study and to design stormwater resiliency improvements.

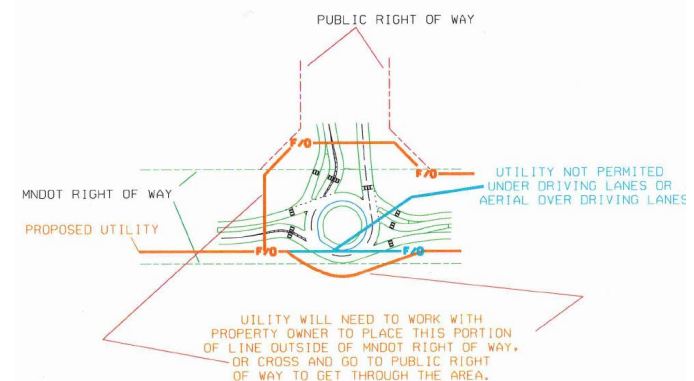
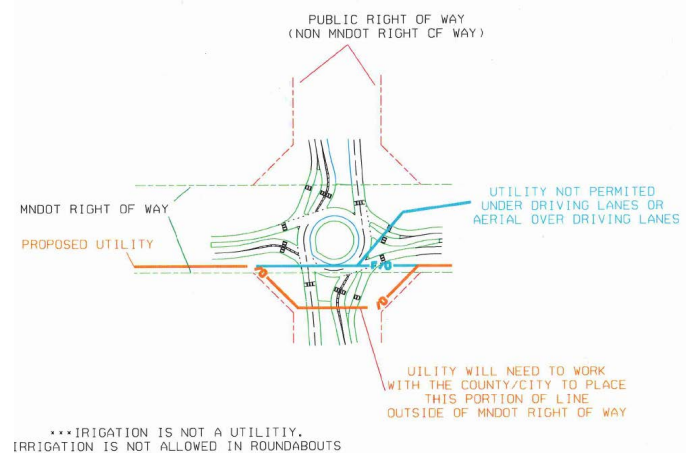
I-694 STRATEGIC EXPANSION

MnDOT is planning a major pavement overlay project on I-694 in 2031 or later. This project also includes the rehabilitation of numerous bridges along the corridor. MnDOT is planning to do a study of I-694 from Brooklyn Blvd in Brooklyn Center to Lexington Pkwy in Shoreview to understand how safety and mobility along the corridor might be improved with this project.

LOCAL UTILITY PROJECTS

Due to improvements to the TH 47 corridor including the construction of multiple roundabouts, it should be considered that additional local projects will be needed to relocate utilities to meet MnDOT design requirements. Coordination with affected Cities will be required to schedule these efforts and resolve concerns regarding relocation costs. Cost estimates shared earlier in this document do not include any required utility relocation work as existing utility information was not available during conceptual design. Major utility conversations in the next phase may include: water supply mains from the river crossing under TH 47, petroleum gas lines, and major communication fiber lines crossing the corridor.

MnDOT Design Scene Chapter 5 describes utility locations at roundabouts. Utility facilities shall be located such that they minimize the need for later adjustments. Typically, they are routed around the roundabout proper. See the figure below from the *MnDOT Design Scene* for typical utility placement at roundabouts:



Not all intersection improvements along the TH 47 corridor are likely to be funded for construction in 2030. To ensure the most impactful upgrades are prioritized, a systematic approach is necessary. The following key considerations guide the prioritization process. Each factor is detailed to highlight its importance and the associated decision-making implications. As stakeholders have come together to provide input regarding implementation, the preferences of individual agencies have been made known through conversations with our contacts and should be considered alongside other factors. We have been made aware through conversations with Anoka County that they would prefer that the intersections on the corridor north of Osborne Rd be reconstructed to be grade-separated interchanges. Also, Metro Transit has expressed a desire to maintain signalized intersections due to the operational challenges and safety concerns roundabouts pose for transit operators and riders. Feedback from and discussions with stakeholders regarding differences in priorities and potential conflicts between interests should be considered in future decision making.

SAFETY IMPROVEMENTS

Safety is the primary driver of intersection prioritization. Numerous intersections along the corridor have both high vehicle crashes as well as high non-motorized user crashes. These intersections must be addressed to increase safety and comfort for all users. Vision 1 addresses those safety concerns by changing the intersection type all together. By switching to a roundabout controlled intersection, the number of serious-injury vehicle and non-motorized user crashes will drop significantly. This change is the preferred option from MnDOT's Multimodal Functional Group as it maintains existing accesses without additional out of direction and grade separated travel. The traffic analysis and safety report dives into more detail regarding the data behind the reduction in crashes. If the intersection type does not change, one way to ensure non-motorized users can navigate these intersections in a safe manner would be to remove them from traversing the intersection altogether via grade separated pedestrian bridges. There were five locations that stood out to the conceptual design team to construct grade separated pedestrian bridges:

1. **42nd Ave** – There is an existing bridge here that is at its end-of-useful life, and this bridge is not currently ADA accessible.
2. **69th Ave** – This would provide a grade separated connection across TH 47 for the Rice Creek West Regional Trail. The proximity of the City of Fridley Public Works facility and the surrounding landscape features will impact the design of the approach to the bridge.
3. **Osborne Rd** – This would provide a grade separated connection across TH 47 for the Mississippi River

Regional Trail. Further coordination with the local stakeholders would be necessary to further this design.

4. **83rd Ave** – This would provide a grade separated connection across TH 47 where there is no access control today. This would provide a safe connection connecting residents that live east of TH 47 to the business district west of TH 47.
5. **85th Ave** – This intersection has the highest number of fatal crashes for bicycles and pedestrians on the entire corridor. Further analysis and design is needed to determine the location for the crossing.

Concepts 1, 3, 4, and 5 have been included with the project layouts. These concepts have been designed such that they will work with both Vision 1 and Vision 2 to ensure the safety of non-motorized users will be prioritized for either Vision. However, the necessity of grade separated crossings decreases at any intersection that is reconstructed as a roundabout as the roundabout itself creates a safer crossing situation than existing conditions. While a bridge at the 69th Ave NE intersection would provide a connection to the Rice Creek West Regional Trail – coordination between the City of Fridley, Anoka County, local property owners, and MnDOT will need to occur before a design can be furthered.

COORDINATION WITH METRO F LINE

The METRO F Line transit project introduces a need for synchronized improvements along the corridor. Ensuring that intersection upgrades align with transit enhancements minimizes disruptions, enhances public transit efficiency, and supports regional mobility goals.

The METRO F Line project will be constructed along TH 65 and TH 47. The transit stations along TH 65 will be constructed as part of the MnDOT Central Ave Northeast reconstruction project slated for construction to begin in the summer of 2028. The transit stations along TH 47 will be constructed between 2028-2030 with the goal of METRO F Line being fully operational in the fall of 2030. Currently, the TH 47 corridor is in the process of conceptual design with the intent of determining future corridor safety and mobility improvements. Regardless of which Vision is chosen for the TH 47 corridor, the METRO F Line transit stations will play a large role in the design of each intersection. Because Vision 1 changes the intersection type to roundabouts, the METRO F Line design team will need to revisit the transit station design of each intersection. If the TH 47 corridor is not constructed at the same time as the Central Ave Northeast project, the transit stations will need to work for both the existing intersections as well as the future design of the corridor. There will need to be significant coordination between the METRO F Line design team and the TH 47 design team to ensure that transit stations are not constructed only to be removed in the future to accommodate any intersection modifications. In the event that Metro Transit constructs F Line stations at intersection locations ahead of MnDOT roadway improvements, and future station rework is required, the agencies will need to work through agency cost responsibilities and potential payback of any FTA funding that was used to pay for original station construction.

To accelerate this coordination, the conceptual design team has taken the first look at how the METRO F Line stations can be constructed if Vision 1 is selected for the corridor. Please see [Appendix F](#) for exhibits at each intersection along the corridor that is planned to have a METRO F Line station.

LANE DECISION SOUTH OF 53RD AVE

The decision between a two-lane or four-lane configuration south of 53rd Ave has far-reaching implications for traffic flow and capacity. Prioritizing intersections in this area depends on resolving this decision to ensure compatibility with the final design. This decision hinges on the reduction from four lanes to two lanes on TH 65 and how traffic responds to this change. This alteration has the potential to permanently increase traffic volume on TH 47 such that a lane reduction may not be feasible for long-term operability. The new dynamics of traffic flow on TH 47 will need to be

studied and understood after the lane reduction on before this decision can be effectively made, therefore, the timeframe for intersection improvements south of 53rd Ave will need to take these needs into account.

INTERCHANGE OPTIONS NORTH OF OSBORNE RD

Flexibility in maintaining options for future interchanges north of Osborne Rd is crucial. This ensures the corridor remains adaptable to future traffic demands and regional development while avoiding design limitations.

EXISTING SIGNAL AGE

Older traffic signals nearing the end of their useful life will need to be replaced before the risk of them falling becomes too great. Prioritizing these intersections maximizes the value of investments and reduces maintenance costs. [Table 4](#) below lists the signal ages for each intersection along the corridor. Several intersections on this corridor have signals that will have passed their expected replacement age by the year 2030 and should be considered for prioritization for removal or replacement (in case of a RAB). These intersections are at: 37th Ave, 44th Ave, 49th Ave, 53rd Ave, I-694 Eastbound ramp, I-694 Westbound ramp, 57th Ave, 61st Ave, Mississippi St, 73rd Ave, and University Ave. The signal at the intersection of 85th Ave is already planned to be replaced in 2025.

Table 4. Signal Ages Along Corridor

INTERSECTION	SIGNAL TURN-ON	END OF SERVICE LIFE
37th Ave	1993	2023
40th Ave	2013	2043
44th Ave	1993	2023
49th Ave	1993	2023
53rd Ave	1993	2023
694 South	2000	2030
694 North	2000	2030
57th Ave	1993	2023
61st Ave	1993	2023
Mississippi St	1993	2023
69th Ave	2008	2038
73rd Ave	1993	2023
Osborne Rd	2006	2036
81st Ave	2007	2037
85th Ave*	1993	2023
University Ave	1995	2025

*The signal at this intersection is being replaced in 2025

TIED IMPROVEMENTS

Logical grouping of improvements, such as adjacent intersections or segments with shared dependencies, ensures construction efficiency and minimizes public inconvenience. Tied improvements often provide synergistic benefits, such as consistent traffic flow and reduced disruptions. In some instances, it may make sense to construct intersection improvements on the trunk highway as part of a locally initiated project. One such grouping is the set of four intersections on TH 47 from 53rd Ave to 57th Ave that includes the I-694 East and West ramps. Due to their close proximity to one another, these intersections cannot be delivered separately because of design constraints.

CONSTRUCTABILITY AND IMPACTS

Starting with intersections that can be upgraded with minimal public disruption helps build community support and demonstrates project success early. Evaluating construction phasing and temporary traffic management plans is critical to maintaining corridor functionality during upgrades.

Construction phasing will also need to consider Metro Transit's METRO F Line service as well as local bus service to ensure transit service is able to be accommodated and that any station platform rework is limited as much as possible.

LOCAL AGENCY FUNDING

Local agencies' ability and willingness to contribute funding is a key consideration. Intersections with strong local support may be prioritized to leverage available resources and demonstrate partnership-driven progress. MnDOT's Cost Participation Policy is under revision, the future version of the policy may change anticipated local cost share.

By addressing these factors, MnDOT and its partners can develop a prioritization strategy that maximizes safety, efficiency, and community impact.

INTERSTATE RAMP MODIFICATIONS

Proposed modifications near I-694 include modifications to the entrance and exit ramps. Further evaluation is necessary on options to perform this work, and scope of required work to achieve the desired outcome. An example

of this discussion is the I-694 west bound on-ramp. There are three ramps in the existing configuration, but may only require two in the future. Would you fully remove the third ramp with this project, or consider options for partial removal - just disconnecting the ramp from TH 47.

BEST GRANTS TO CONSIDER AND ANTICIPATED TIMING

Agencies involved in the TH 47 corridor improvements have several opportunities to secure external funding to assist with their financial responsibilities. Two primary grant programs stand out for their alignment with the project needs and goals:

HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

The HSIP provides federal funds for projects aimed at improving roadway safety. These grants prioritize projects that address crash-prone areas or significantly enhance the safety of road users. Agencies can leverage HSIP funds for intersection improvements, roundabout construction, or other safety-focused upgrades. Applications typically require a detailed safety analysis and benefit-cost ratio demonstrating the effectiveness of the proposed improvements. For 2030 construction, applications should be prepared and submitted by the end of 2026 to meet funding cycles.

REGIONAL SOLICITATION

The Metropolitan Council's Regional Solicitation program allocates federal transportation funds to local agencies for regionally significant projects. This program prioritizes improvements that enhance mobility, accessibility, and safety while supporting regional goals. Intersection upgrades, transit integration, and multi-modal enhancements are eligible under this program. To align with a 2030 start date, applications for the next funding round should be submitted by late 2025.

OTHER FUNDING OPTIONS

Additional funding options exist, or may become available before construction. One example of an additional source to consider would be local agency applications for Safe Streets For All (SS4A) grants that may be used towards the implementation of dedicated pedestrian facilities along the corridor which appear within the agencies' planning documents.

2030 FUNDED PROJECTS

With current funding, MnDOT plans to deliver the mill and overlay work in 2030 using funds identified in the Capital Highway Investment Plan (CHIP). Additionally, MnDOT has identified 4 priority intersections through the Metro District Safety Plan that have a Critical and Serious Injury crash rate that exceeds the critical rate. Due to these factors it is assumed that these intersections will be a priority for the \$9,000,000 HSIP funds available in 2030. One of the priority intersections is 57th Ave, which due to its proximity to the 694 interchange must be delivered in coordination with the interchange work itself. Due to its tie to other improvements and the costs necessary to deliver them all together, MnDOT has removed 57th Avenue from it’s minimum delivery plan for 2030. The remaining three intersections and their estimate cost to complete the Vision 1 improvements are:

- **Mississippi St:** Estimated cost: \$6,021,560.
- **73rd Ave:** Estimated cost: \$6,148,774.
- **Osborne Rd:** Estimated cost: \$6,756,507.

MnDOT’s \$9,000,000 will be used to offset its share of the costs for these three intersections.

Based on preliminary cost estimates, the total MnDOT share for these intersections is approximately \$14,148,730.

MnDOT’s minimum plan delivery for 2030 also includes pedestrian grade separated rehabilitation/ reconstruction of the existing pedestrian bridge at 42nd. This adds an additional \$11,460,562 of MnDOT planned contributions for improvements in 2030. MnDOT will also pursue the replacement of any traffic signal which is older than its planned life cycle in 2030 that is not being replaced by a roundabout that year. This will trigger additional MnDOT and Local Agency contributions at these intersections. See table below for local agency contributions by intersection assuming only Mississippi St, 73rd Ave, and Osborne Rd are constructed as roundabouts in 2030.

INTERSECTION	LOCAL SHARE ESTIMATE
37th Ave	\$600,000
44th Ave	\$600,000
49th Ave	\$600,000
53rd Ave	\$600,000
694 South	-
694 North	-
57th Ave	\$600,000
61st Ave	\$600,000
Mississippi St	\$1,493,345
73rd Ave	\$1,458,024
Osborne Rd	\$1,826,742

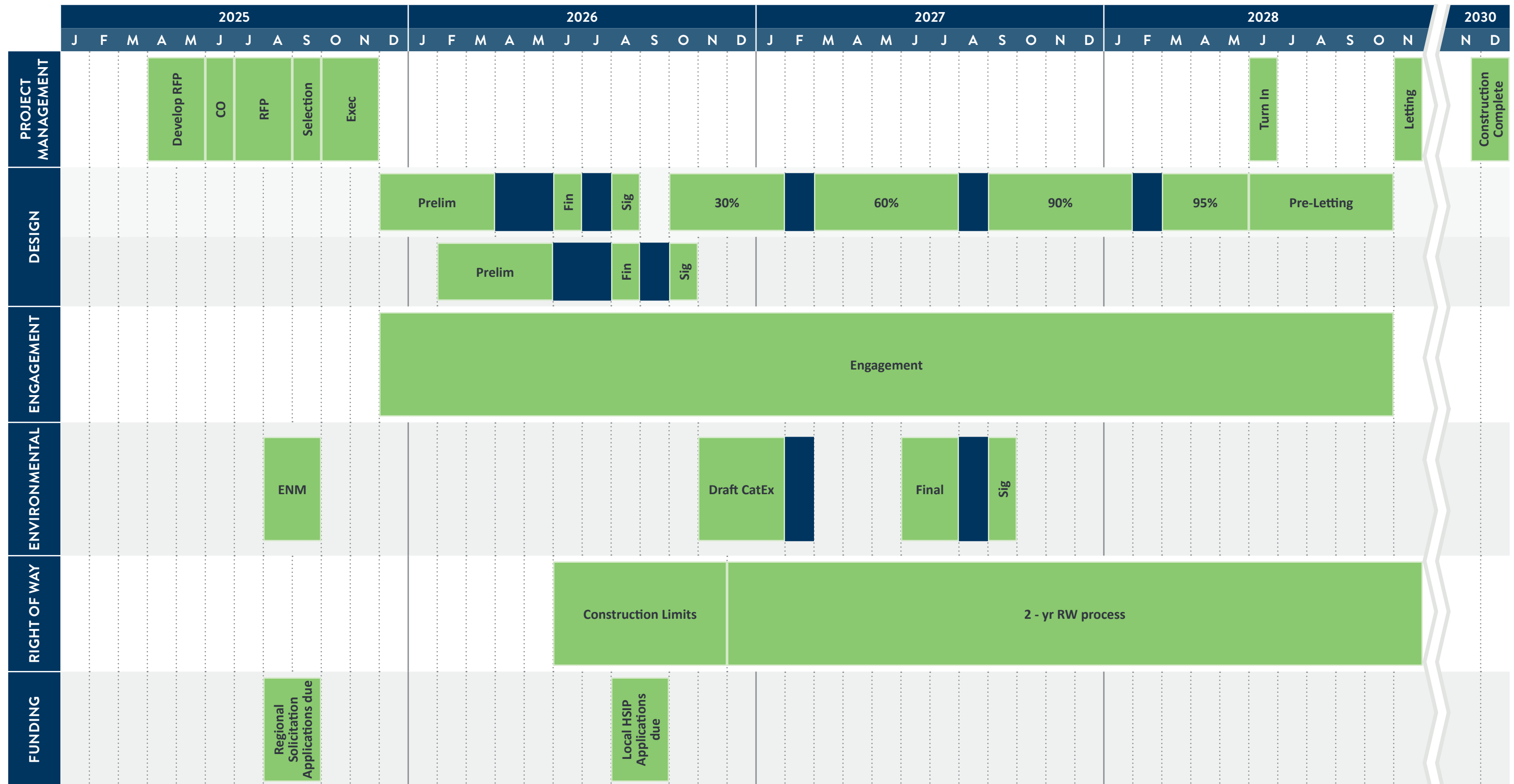
RECOMMENDED FY 2030 “SHELF” PROJECT

There are a number of corridor improvements that merit construction in 2030, but are outside of the available funding. In order to capitalize on any potential grant or other sources of funding, we are recommending the development of several improvements as a “Shelf” project. This means that the plans for these improvements would be developed to 95% for a potential FY 2030 construction start date. These improvements would then sit on the shelf as shovel-ready construction plans, able to take advantage of any funding that becomes available by FY 2030. “Shelf” intersection improvements could be funded in any number of ways:

- Competitive grants
- **As part of a locally-initiated project.** If a local partner is interested in constructing trunk highway intersection improvements as part of a locally-initiated project, MnDOT will have the construction plans ready to go for inclusion, making it easier for a local partner to include.
- **To take advantage of a future unforeseen funding opportunity.** Sometimes MnDOT has an unexpected surplus in funding due to a new funding source or another project being delayed. Having projects available “on the shelf” is a strategy that MnDOT uses to capitalize on these unforeseen funding opportunities.
- As this document is being put together the Minnesota Legislature is considering another option which appeared in the Governor’s proposed budget this session. If approved, MnDOT would have the ability to accept a loan from Metropolitan Council to fund trunk highway improvements which align with current Metro Transit planned improvements. This is another option which may quickly evolve and allow MnDOT an opportunity to advance all 12 roundabouts along the METRO F Line corridor.

NEXT STEPS

The following suggested schedule reflects anticipated milestones if MnDOT were to move forward with a project constructed in 2029 and 2030 in parallel with METRO F Line's current construction schedule. At the time of completion of this implementation plan, MnDOT is continuing to evaluate potential construction project scope, schedule, and budget options for 2029-2030 construction project.





AGENDA REPORT

Meeting Date: June 9, 2025

Meeting Type: City Council

Submitted By: Paul Bolin, Community Development Director
Stacy Stromberg, Assistant Community Development Director

Title

Resolution No. 2025-72, Approving an Interim Use Permit, IUP #25-01, Requested by Chopper Powersports to allow the property at 7151 Hwy 65 N.E. to be temporarily used for storage and display of off-road vehicles (Ward 2)

Background

Nate McNeilly from Chopper Powersports is requesting an Interim Use Permit (IUP) to allow the property at 7151 Hwy 65 N.E. to be used temporarily, for 3 years maximum for the storage and display of off-road vehicles.

Chopper Powersports has outgrown their location at 7191 Hwy 65 N.E. and is looking to acquire the vacant parcel at 7151 Hwy 65 N.E. for expansion. The Harstads, owners of 7151 Hwy 65 N.E., have signed off on this permit application.

The petitioner notes in their narrative that since taking ownership of the business, they've grown from 4 employees to over 20 employees. They are planning to remodel and expand their current building, as soon as possible. The IUP is requested to allow the time needed to purchase the property at 7151 Hwy 65 and develop plans for building expansion and overall development of the site.

During the interim, the petitioner plans to construct a new chain-link fence with privacy slats along the east, south and west sides of the property. The existing fence on the south side of the Chopper Powersports property will be opened to the subject property to help with site circulation and delivery and pick up of vehicles. The fenced area will provide outdoor storage space for new vehicles, and the plan also shows an area on the northwest corner of the property that will be used during the day for outdoor showroom/display. When the business is closed, those vehicles will be placed in the fenced area. The



Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

paved area on the vacant lot will be used for employee parking. A gate is also proposed to be installed on the east side of the new fence to allow access to Norton Creek, which was supported by the Public Safety Department.

To allow the expansion of Chopper Powersports to be used as subject property, a future special or conditional use permit will need to be issued to allow for the outdoor display of vehicles. A building permit will also be required for the building addition. Those processes will require compliance with building code and zoning code requirements, including but not limited to, parking, landscaping, and storm water management.

Interim use permits are intended to regulate a use that is a temporary use of the property until a particular date, until the occurrence of a particular event, or until the zoning regulations no longer permit the use. Staff find that the application meets the standards for issuing an IUP.

A Notice of Public Hearing before the Planning Commission was published in the May 9, 2025, edition of the Official Publication.

The Planning Commission held a public hearing for IUP #25-01 at their May 21, 2025, meeting. After a brief discussion, the Planning Commission recommended approval with the stipulations as presented by staff. The motion carried unanimously.

Financial Impact

No financial impact.

Recommendation

Staff recommends approval of Resolution No. 2025-72, Approving an Interim Use Permit, IUP #25-01, Requested by Chopper Powersports to allow the property at 7151 Hwy 65 N.E. to be temporarily used for storage and display of off-road vehicles (Ward 2).

Focus on Fridley Strategic Alignment

☐	Vibrant Neighborhoods & Places	☒	Community Identity & Relationship Building
☒	Financial Stability & Commercial Prosperity	☐	Public Safety & Environmental Stewardship
☐	Organizational Excellence		

Attachments and Other Resources

- Resolution No. 2025-72
- Staff Report to the Planning Commission
- Petitioner's application, narrative and drawings
- Public Hearing Notice

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Resolution No. 2025-72**Approving Interim Use Permit, IUP #25-01 Requested by Chopper Powersports to allow the property at 7151 Hwy 65 N.E. to be temporarily used for storage and display of off-road vehicles (Ward 2)**

Whereas, on April 18, 2025, the City of Fridley (City) received an Interim Use Permit (IUP) request from Chopper Powersports to allow temporary use of the property at 7151 Hwy 65 N.E. for the storage and display of off-road vehicles; and

Whereas, the property located at 7151 Hwy 65 N.E. is legally described as the West 375 ft. of Lot 3, Auditor's Subdivision No. 89 (Property); and

Whereas, interim uses are defined and regulated by Fridley City Code (Code) § 205.05.6; and

Whereas, the use identified in IUP #25-01 application has been reviewed against the Code § 205.05.6 and meets the minimum standards; and

Whereas, on May 21, 2025, the Planning Commission held a public hearing to consider, IUP #25-01, to allow the temporary use of 7151 Hwy 65 N.E. for the storage and display of off-road vehicles; and

Whereas, at the May 21, 2025 meeting, the Planning Commission unanimously recommended approval of IUP #25-01 with the conditions in Exhibit A; and

Whereas, on June 9, 2025, the Fridley City Council approved the stipulations in Exhibit A to this resolution as the conditions on IUP #25-01; and

Whereas, the petitioner, Chopper Powersports, was presented with Exhibit A, the conditions for IUP #25-01 at the June 9, 2025, City Council meeting; and

Whereas, per Code § 205.05.6.H, the Council may review an IUP periodically and may revoke a permit upon violation of any condition of the permit, any law of the United States or the State of Minnesota, or any City ordinance.

Now, therefore be it resolved, that the City Council of the City of Fridley hereby approves Interim Use Permit, IUP #25-01 and the conditions represented in Exhibit A are hereby adopted by the City Council of the City of Fridley.

Passed and adopted by the City Council of the City of Fridley this 9th day of June 2025.

David Ostwald – Mayor

Attest:

Melissa Moore – City Clerk

Exhibit A
Conditions of the Interim Use Permit, IUP #25-01

1. The Interim Use Permit, IUP #25-01 will expire if the interim use ceases operation for a continuous period of at least one year or three years from the date of Council approval.
2. The petitioner shall discontinue use of the public right-of-way for their use, including parking on 72nd Ave in the "No Parking" zone. All delivery and pickup of vehicles shall occur on private property only.
3. The storage and display of vehicles shall be maintained in an orderly fashion to allow adequate circulation through the property.
4. To the extent possible, the petitioner shall install erosion control measures according to City engineering standards to prevent stormwater run-off during the interim period.
5. The City shall prepare a drainage and utility easement adjacent to Norton Creek for the petitioner to sign. Once signed the City will file the easement at Anoka County.



LAND USE APPLICATION SUMMARY

Item: IUP #25-01

Meeting Date: May 21, 2025

General Information	Special Information
Applicant: Chopper Powersports Nate McNeilly 7191 Hwy 65 N.E. Fridley, MN 55432 Requested Action: Public Hearing to Consider an Interim Use Permit, IUP #25-01, by Chopper Powersports to allow the property at 7151 Hwy 65 N.E. to be temporarily used for the storage and display of off-road vehicles Existing Zoning: C-2, General Business Size: 54,450 sq. ft. 1.25 acres Existing Land Use: Vacant lot Surrounding Zoning & Land Use: N: C-2 (Chopper Powersports) E: R-3 & Apartment Building S: C-2 & C/I Multi-Tenant Building W: ROW & Highway 65 Comprehensive Plan Conformance: Existing and Future Land Use Maps designate the property as Commercial Zoning Ordinance Conformance: Section 205.05.6 defines and regulates Interim Uses. An Interim Use Permit can be issued for a temporary use of the property until a date specified within the approval Building and Zoning History: 1949 – Lot platted 1969 – Special Use Permit approved to allow a Manufactured Home Sales lot 1969 – Building Permit issued for the Manufactured Home Sales Office	2004 – Property rezoned from M-1, Light Industrial to C-2, General Business Legal Description of Property: The West 375 ft. of Lot 3, Auditor's Subdivision No. 89 Public Utilities: Any new building will need to be connected Transportation: The property receives access off the Hwy 65 East Service Drive Physical Characteristics: The lot is flat and abuts Norton Creek on the east. It is currently vacant, with a small, paved area for parking, and the remainder of the lot is bare ground. Summary of Request: The petitioner, Nate McNeilly with Chopper Powersports is requesting approval of an interim use permit to allow the property to be used temporarily (3 years) for the storage and display of off-road vehicles. Staff Recommendation: City staff recommends approval of the interim use permit request. <i>The request meets the intent of an interim use permit.</i> City Council Action/60 Day Action Date: City Council – June 9, 2025 60 Day Date – June 16, 2025 Staff Report Prepared by Stacy Stromberg

Written Report –

The Request

Nate McNeilly from Chopper Powersports is requesting the issuance of an Interim Use Permit (IUP) to allow the property at 7151 Hwy 65 N.E. to be used temporarily, for 3 years maximum for the storage and display of off-road vehicles.

Chopper Powersports has outgrown their location at 7191 Hwy 65 N.E. and is looking to acquire the vacant parcel at 7151 Hwy 65 N.E. for an expansion. The Harstad's, the owners of 7151 Hwy 65 N.E., have signed off on this permit application.

Site Description and History

The subject property is located on the east side of Hwy 65, off the East Service Drive, south of 72nd Ave. It is zoned C-2, General Business as are the properties to the north and south. The property to the east, beyond Norton Creek is zoned R-3, Multi-Family.

In 1969, a special use permit was approved to operate a Manufactured Home Sales lot, and as a result, a building permit was issued to allow a Manufactured Home Sales office. In 1969, the special use permit was granted for a 3-year period, and then another special use permit was issued in 1974 for a 5-year period. In 1980, another special use permit was approved for the same use, without a time limit. The property remained a Manufactured Home sales lot until earlier this year.



Analysis and Code Requirements

The petitioner notes in their narrative that since taking ownership of the business, they've grown from 4 employees to over 20 employees. They are planning to remodel and expand their current building, as soon as possible. The IUP is requested to allow the time needed to purchase the property at 7151 Hwy 65 and develop plans for a building expansion and overall development of the site.

During the interim process, the petitioner plans to construct a new chain-link fence with privacy slats along the east, south and west sides of the property. The existing fence on the south side of the Chopper Powersports property will be opened to the subject property to help with site circulation and delivery and pick up of vehicles. The fenced area will provide outdoor storage space for new vehicles, and the plan also shows an area on the northwest corner of the property that will

be used during the day for outdoor showroom/display. When the business is closed, those vehicles will be placed in the fenced area. The paved area on the vacant lot will be used for employee parking. A gate is also proposed to be installed on the east side of the new fence to allow access to Norton Creek, which was supported by the Public Safety Department.



To allow the expansion of the Chopper Powersports use to the subject property, a future special use permit will need to be issued to allow for the outdoor display of vehicles. A building permit will also be required for the building addition. Those processes will require compliance building code

and zoning code requirements, including but not limited to, parking, landscaping, and storm water management.

In October 2023, the City's ordinance regulating Interim Uses went into effect. IUP's are intended to regulate a use that is presently acceptable, but that with anticipated redevelopment will not be acceptable in the future. Code lists the uses allowed by IUP as including:

- (1) Interim use of an identified Redevelopment Site unlikely to redevelop within the interim use permit period;
- (2) Temporary structures in use until a permanent facility can be constructed;
- (3) Off-site parking;
- (4) Seasonal uses not otherwise provided for;
- (5) Any other uses determined by the City Council to be the same or similar type uses.

When the Council approved a special use permit with an expiration date in the 1960/70's they were essentially using the special use permit as an interim use permit. A special use permit runs with the land, regardless of change in ownership, provided the stipulations with the approval are complied with. An IUP is a separate tool the Council can now use that allows an expiration on a use. When the expiration date is approved with an IUP, then the use needs to be discontinued on that date or before.

Code provides general standards for reviewing IUPs in 205.05.6.D:

Criteria	Analysis	
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The use will not delay anticipated development or redevelopment of the site;	The use will help provide the time needed to allow redevelopment of the site.	✓
Adversely impact implementation of the Comprehensive Plan;	The comprehensive plan guides the site for Commercial land uses, which includes "agencies selling and displaying recreational and similar type vehicles."	✓
Be in conflict with provisions of the city code on an ongoing basis;	If approved by the IUP, the use would not otherwise be in conflict with City code.	✓
Adversely affect the adjacent property, the surrounding neighborhood, or other uses on the property where the use will be located;	The use is an extension of the use/business that currently exists at 7191 Hwy 65. Approving the IUP will provide relief for the business until the building addition and site redevelopment is complete. The property to the south is also zoned Commercial, so no adverse impacts are anticipated to the surrounding neighborhood.	✓
The date or event that will terminate the use can be identified with certainty;	A 3-year period has been established. June 9, 2028, is 3 years from the Council review date.	✓
The use will not impose additional unreasonable costs on the public;	The use will not impose additional unreasonable costs on the public.	✓
The applicant acknowledges there is no entitlement to future re-approval of the IUP;	The applicant understands.	✓
The applicant agrees to any conditions the Council deems appropriate for the use.	The applicant understands.	✓

Staff find that the application meets the standards for issuing an IUP.

Staff Recommendation

Staff recommend the Planning Commission hold a public hearing for Interim Use Permit, IUP #25-01.

Staff further recommend approval of the Interim Use Permit, IUP #25-01 for a three-year period expiring on June 9, 2028, subject to stipulations.

Stipulations

Staff recommend that if the special use permit is approved, the following stipulations be attached.

1. The Interim Use Permit, IUP #25-01 will expire if the interim use ceases operation for a continuous period of at least one year or three years from the date of Council approval.
2. The petitioner shall discontinue use of the public right-of-way for their use, including parking on 72nd Ave in the "No Parking" zone. All delivery and pickup of vehicles shall occur on private property only.

3. The storage and display of vehicles shall be maintained in an orderly fashion to allow adequate circulation through the property.
4. To the extent possible, the petitioner shall install erosion control measures according to City engineering standards to prevent stormwater run-off during the interim period.
5. The City shall prepare a drainage and utility easement adjacent to Norton Creek for the petitioner to sign. Once signed the City will file the easement at Anoka County.

Attachments

1. Petitioner's application, narrative and drawings.
2. Public Hearing notice to Paper and Neighbors within 350ft.



Fridley Civic Campus

7071 University Avenue N.E. Fridley, MN 55432
763-571-3450 | FAX: 763-571-1287 | FridleyMN.gov

Permit Information:

Permit Type: Interim Use Permit
Permit Subtype: Non-Residential
Permit Number: IUP25-000001
Work Description: Temporary use of Property for outdoor storage & showroom until expansion project is completed

Property Information:

Address: 7151 HIGHWAY 65 NE
City, State and Zip: FRIDLEY, MN 55432
PIN: 123024310010

Property Owner Information:

Property Owner: HARSTAD, KIRSTEN L.
Property Owner Address: 14152 TERRACE RD NE
HAM LAKE, MN 55304

Applicant Information:

Name: Chopper Powersports
Address: 7191 Hwy 65 NE
Fridley, MN 55432
Phone: (952) 412-9253

Application Information:

Is the applicant the property owner? No
Property Owner Email glenharstad@gmail.com
Property Owner Phone Number 7632340919
When will the Interim Use end? 3 years
Submittal Requirements

I understand that the applicant, owner, operator, tenant and/or user has no entitlement to future re-approval of the interim use permit. 1

I affirm that the interim use permit will not impose additional costs on the public if it is necessary for the public to fully or partially take the property in the future. 1

Payment Information:

Payment Date	Received From	Payment Amount
04/18/2025	Nate McNeilly	\$1,500.00
04/18/2025	Nate McNeilly	\$41.25

Signature:

Review Comments:

Application Date:

Application Date: 04/18/2025
60-Day Deadline: 06/17/2025
120-Day Extension: 08/16/2025

Review Dates:

Activity Name	Completion Date	Activity Status
Application Intake	04/22/2025	Complete
Send 15 Day Letter	05/01/2025	Complete
Planning Commission Meeting		
City Council Meeting		
File with County		



Fridley City Hall
 7071 University Ave N.E. Fridley, MN 55432-4303
 (763) 571-3450 • FAX (763)
 571-1287 • FridleyMN.gov

WRITTEN PERMISSION OF PROPERTY OWNER

Written permission from the property owner for use of the premises must be obtained before a permit/license will be issued.

I, Glen Harstad, certify that I am the owner of property located at 7151 Hwy 65 NE Fridley MN 55432, and give permission to use the above property for a Interim Use permit/license

May/13/25 Glen Harstad Glen Harstad
 Date Printed Name Signature
14152 Terrace Rd Ham Lake 763-234-0919
 Address Telephone Number
MN 55304
glenharstad@gmail.com
 Email

Chopper Powersports is looking to expand. We are outgrowing our current location and looking to acquire the property at 7151 Hwy 65 NE from The Harstad family. While we go through this process, we aim to alleviate congestion in our back lot. We seek a temporary Interim Use permit for outdoor storage and displays of new Polaris offroad machines. Chopper Powersports, in just 8 years, has grown from 4 employees to over 20 employees. We also are looking for employee parking on the property. Attached is a certificate of survey showing the location where we plan to install a new chain-link fence with new privacy slats and a gate. We will also install a gate that the city staff has requested for an easement to Norton Creek. All Machines in the storage area will be in brand-new condition to ensure there won't be any contamination concerns. We will ensure that we control all stormwater runoff concerns on the property. We will always keep the property maintained and clean.

We are planning to expand and remodel our current building as soon as possible. The use will not delay the anticipated development or redevelopment of the site. It will aid in expediting our expansion, allowing us more room on the property to build our new expansion.

The use will not adversely impact the implementation of the Comprehensive Plan. We will work closely with city staff to ensure.

The use will not conflict with provisions of the city code on an ongoing basis. We will work closely with city staff to ensure.

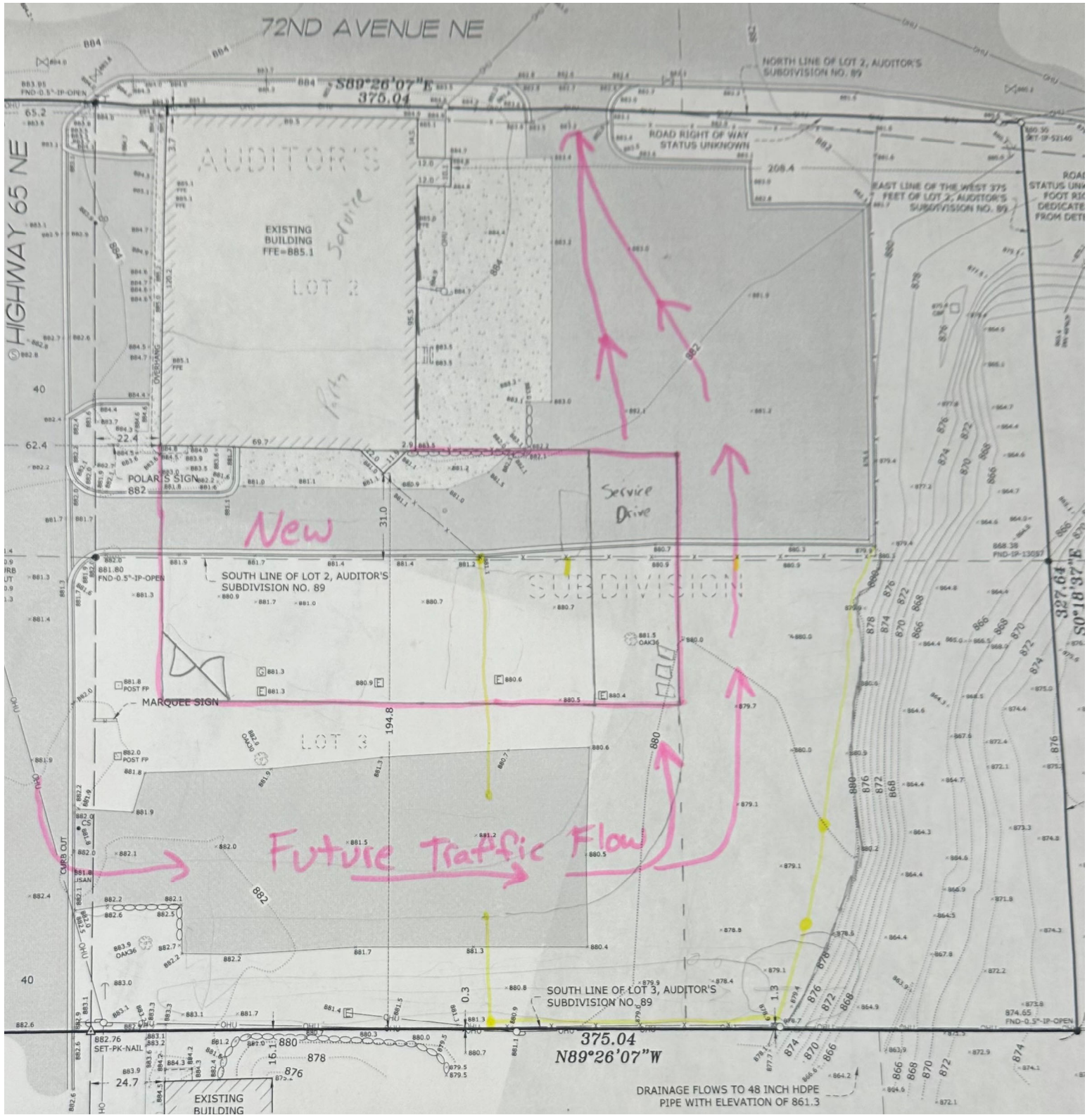
The use will not adversely affect the adjacent property, the surrounding neighborhood, or other uses on the property where the use will be located.

The use will not adversely affect the adjacent property, the surrounding neighborhood, or other uses on the property where the use will be located.

The date or event that will terminate the use can be identified with certainty, and we are looking to move quickly on our new expansion project.

The use will not impose additional unreasonable costs on the public.

-  Existing Fence
 New Fence



AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)

 **The Minnesota Star Tribune**

650 3rd Ave. S, Suite 1300 | Minneapolis, MN | 55488

Terri Swanson, being first duly sworn, on oath states as follows:

1. (S)He is and during all times herein stated has been an employee of the Star Tribune Media Company LLC, a Delaware limited liability company with offices at 650 Third Ave. S., Suite 1300, Minneapolis, Minnesota 55488, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

<u>Dates of Publication</u>	<u>Advertiser</u>	<u>Account #</u>	<u>Order #</u>
StarTribune 05/09/2025	FRIDLEY CITY OF	1000019971	516047

4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows: **\$56.88**

5. Mortgage Foreclosure Notices. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in Hennepin County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

FURTHER YOUR AFFIANT SAITH NOT.

Terri Swanson

Subscribed and sworn to before me on: 05/09/2025

Diane E. Rak Kleszyk



Notary Public