

**CITY COUNCIL
MEETING**

Council Commission Room
September 14, 2026

AGENDA



-
- 1. Call to Order - 6:00 p.m.**
 - 2. Roll Call**
 - 3. Proposed Budget and Tax Levy**
 - a. Proposed Budget and Tax Levy
 - 4. Adjournment**

Proposed 2027 Budget & Property Tax Levy



Joint City Council & Finance Commission Meeting, September 14, 2026
Nicole Hegge, Finance Director & Dan Tienter, Ehlers

Work Session Goals

To continue the discussion from the 2026 Financial Management Plan (FMP) about strategic direction & organizational needs

To build on the previous Joint City Council & Finance Commission meeting on August 24

To finalize the Proposed 2027 General Fund Budget & Property Tax Levy for consideration by the City Council on September 28



Since The Last Meeting...

- The City Council provided additional guidance regarding the Proposed 2027 Budget & Property Tax Levy
- Based on that feedback, the Interim City Manager removed additional property taxes to replenish the Capital Reserve Emergency Fund
 - There are no other changes to the Proposed 2027 Budget at this time
- Staff also updated the property tax impacts to include preliminary tax base data provided by Hennepin County



Property Tax Levy Changes, Revised

Levy Component	2026B	2027P	Change	Change
General Fund	25,283,094	27,590,456	2,307,362	9.13%
Debt Service	2,350,278	2,043,146	(307,132)	-13.07%
Capital Reserve Emergency	-	-	-	-
Housing & Redevelopment Authority	621,849	623,038	1,189	0.19%
Total	28,255,221	30,256,640	2,001,419	7.08%

- Assumes

- Support for the General Fund position
- Issuance of equipment certificates for the authorized Fire Trucks
- Certification of the HRA property tax levy at the statutory limit
- ~~Replenishment of the Capital Reserve Emergency Fund~~

Decreased
from 8.00%



Property Tax Impact, Revised

Decreased
from \$213

Property Tax Change, Median-Valued Residential Homestead					
Year	Property Tax Levy	Tax Capacity*	Property Tax Rate	Median Value	Total Property Tax
2026B	28,255,221	32,993,262	64.66%	281,000	1,679
2027P	30,256,640	33,576,274	69.13%	290,300	1,866
Change (\$)	2,001,419	583,012	4.47%	9,300	187
Change (%)	7.08%	1.77%	6.91%	3.31%	11.11%

**This is the Total Net Tax Capacity after reduction for TIF, Powerline, and Fiscal Disparities Contribution*

- The change in the property tax levy would be about \$15.50 (rounded) per month
- If the value of the residential homestead remained flat, the change in property taxes would be about \$117 (rounded) annually



General Fund Position

General Fund Activity, 2023A–2027P					
Category	2023 Actual	2024 Actual	2025 Actual*	2026 Budget	2027 Proposed
Total Expenditures	27,821,556	29,073,606	30,520,321	30,469,168	33,225,022
Ending Fund Balance	13,595,819	14,745,954	13,708,954	13,708,954	14,065,454
Adjustments	-	-	-	356,500	-
Total	13,595,819	14,745,954	13,708,954	14,065,454	14,065,454
Fund Balance Policy (ending fund balance versus actuals or budget of the following year)					
Level	47%	48%	45%	42%	To Be Determined
Target	45%	45%	45%	45%	45%

**Unaudited*

As established by the City Council the General Fund should maintain a balance of between 40% and 50%, with a target of 45%, of next year's expenditures



Property Tax Levy Comparison

Comparable Cities, Proposed 2027 Levy		
Rank	City	Change (v. 2026B)
1	Golden Valley	4.00%
2	Richfield	4.55%
3	New Hope	4.99%
4	Fridley	5.98%
5	Robbinsdale	6.00%
6	Brooklyn Center	7.08%
7	Maplewood	8.50%
8	Roseville	9.80%
9	Shoreview	10.71%
10	Crystal	12.60%
11	White Bear Lake	13.00%

Including Brooklyn Center,
the 10 benchmark cities
currently average about

7.93%

The proposed levies may
change between now &
proposed or final
certification



Proposed 2027 Budget

Advances the
Strategic Priorities of
the City Council

Builds on the
Financial
Management Plan
Recommendations

Responds to
Inflationary Cost
Pressures &
Economic
Uncertainty

Supports Structural
Balance in the
General Fund

Maintains the
General Fund
Reserve
Requirement

Adds 5 FTEs:
Firefighters (4) &
Embedded Social
Worker (1)



Next Steps

- Today...
 - Receive any guidance from the City Council & Finance Commission before certification of the Proposed 2027 Budget & Property Tax Levy
- Next...
 - Present the Proposed 2027 Budget & Property Tax Levy for consideration at the September 28 City Council Meeting



Proposed 2027 Budget Schedule

When?	What?	Who?	Where?
May 11	Review 2026 Financial Management Plan	City Council	Work Session
June 22	Discuss Proposed 2027 Budget Development Process	City Council & Finance Commission	Work Session
July 13	Review Proposed 2027 Capital Improvement Plan (CIP)	City Council & Finance Commission	Work Session
August 24	Review Proposed Budget & Property Tax Levy Scenarios	City Council & Finance Commission	Work Session
September 14	Review Proposed Budget & Property Tax Levy Scenarios (if needed)	City Council & Finance Commission	Work Session
September 21	Review Proposed Budget & Property Tax Levy Scenarios (if needed)	City Council & Finance Commission	Work Session
September 28	Adopt Proposed 2027 General Fund Budget & Property Tax Levy	City Council	Regular Meeting
October 26	Review Proposed 2027 Enterprise Budgets & Utility Rates	City Council & Finance Commission	Work Session
November 9	Hold Utility Rates Public Hearing & Adopt 2027 Utility Rates	City Council	Regular Meeting
November 23	Discuss Proposed 2027 Budget (if needed)	City Council	Work Session
December 14	Hold Truth-in-Taxation Public Hearing, Adopt 2027 Budget	City Council	Regular Meeting



Thank You! Any Questions?

Joint City Council – Finance Commission Meeting

