City of Baxter, MN

2027
Proposed Operating Budget

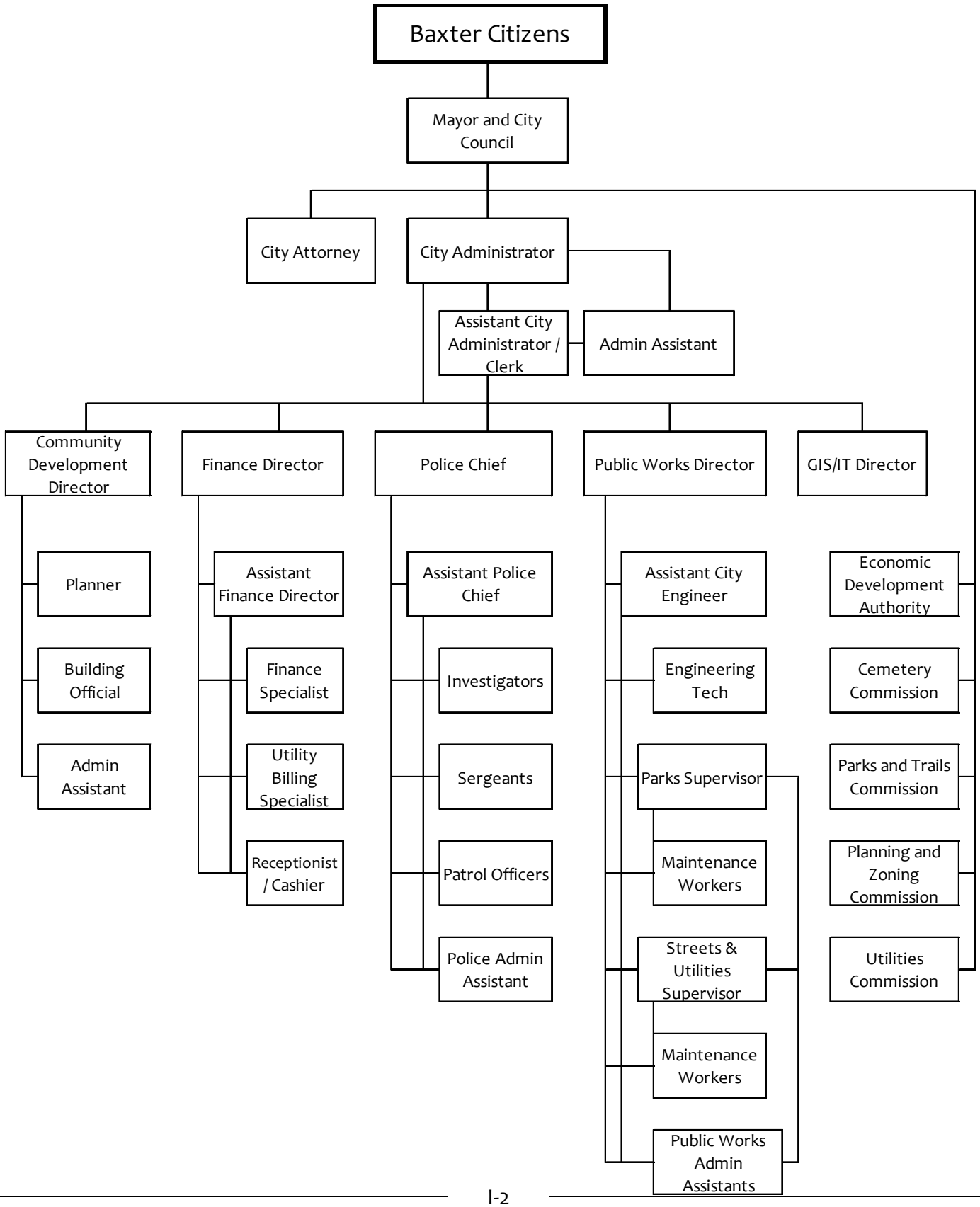
Governmental Funds

BAXTER
"A Growing Community"

September 9, 2026
Work Session – Initial Discussion

Prepared by City of Baxter
Department of Finance

Organizational Chart



Revenues

	2025 Actual	2026 Budget	2027 Initial Requested Budget
Property Taxes	$ 8,228,476	$ 8,602,700	$ 8,602,700
Franchise Fees	2,599	-	1,500
Special Assessments	10,150	8,000	9,000
Licenses, Permits, and Fees	145,845	140,200	125,000
Intergovernmental Revenue	545,917	516,700	434,300
Charges for Services	99,765	65,800	77,700
Fines and Forfeits	52,982	111,700	117,000
Gifts and Contributions	800	-	-
Investment Earnings	158,490	116,200	136,300
Change in Fair Value of Investments	75,199	-	-
Other	409,652	282,100	295,100
Transfers In	407,000	420,000	433,000
Total Revenues	$10,136,874	$10,263,400	$ 10,231,600

Highlights:

Property tax levy of shown above for the initial 2027 Budget discussion is equal to the 2026 levy. As indicated at the end of the General Fund expenditures section, the current initial departments requested budget results in a $2,741,300 shortfall based upon current estimated revenues and the initial requested expenditures. A combination of expenditure reductions and revenue increases will be required to balance the general fund budget.

No change to the $1,076,000 levied for Debt Service as a special levy is required for 2027

$494,900 Allocated Administration/Transfers from other funds for central supplies, insurance, administration, finance, IS support and equipment, and other services

$434,300 intergovernmental revenues (grants), including: $114,100 of MN Local Government Aid (LGA) (an $89,000 reduction from 2026), $215,200 for police-related state aid programs, $13,500 Sourcewell wellness program funding, $13,200 Sourcewell public works admin and police interns, $40,000 Sourcewell public safety project reimbursement

$82,600 cable franchise fees

$102,000 electric franchise fees to pay for streetlight operations (does not cover estimated $121,900 cost)

$54,100 budgeted for court fines

$171,000 budgeted for rental revenue, primarily tower leases

$115,200 estimate for SRO contract

General Government

	2025 Actual	2026 Budget	2027 Initial Requested Budget
Employee Full-Time Equivalency	-	-	-

Expenditures

Personnel Services	$ 7,460	$ 25,300	$ 300
Supplies	5,126	10,600	10,600
Services and Charges	179,999	414,200	280,900
Transfers Out	4,500	4,500	4,500
Total Expenditures	$ 197,084	$ 454,600	$ 296,300
	% Increase/(Decrease) Over 2026		-34.8%

Highlights:

No elections planned in 2027

$22,100 funding to Senior Center (3.27% increase); $5,330 to Initiative Foundation; $8,000 for 4th of July Fireworks

$4,000 for Coalition of Greater Minnesota Cities Dues (new, phased-in dues)

$59,100 for property and liability insurance

$35,000 for sales tax professional services

$20,000 City Hall facilities maintenance

$13,500 for employee wellness program, funded primarily from Sourcewell grant

$3,400 annual funding for future pooled vehicle replacement in capital equipment fund

$25,000 budgeted General Fund expenditures to maintain reserves, protect bond rating, and to cover potential revenue reductions and unanticipated expenditures, including fuel increases, seasonal impacts

Council

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	5.00	5.00	5.00

Expenditures

Personnel Services	$ 37,214	$ 37,900	$ 37,900
Services and Charges	6,956	7,700	7,800
Transfers Out	4,700	4,700	4,700
Total Expenditures	$ 48,870	$ 50,300	$ 50,400
	% Increase/(Decrease) Over 2026		0.2%

Highlights:

$4,700 annual funding for software maintenance and future IT replacement program

Administration

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	2.50	2.50	2.50

Expenditures

Personnel Services	$ 444,038	$ 479,300	$ 522,200
Supplies	39	-	-
Services and Charges	11,064	37,200	70,100
Transfers Out	9,500	9,800	9,800
Total Expenditures	$ 464,641	$ 526,300	$ 602,100
		% Increase/(Decrease) Over 2026	14.4%

Highlights:

$5,000 for human resources services
$15,000 Leadership consulting
$15,000 Compensation study
$18,000 for health insurance broker services
$9,800 annual funding for software maintenance and future IT replacement program

Finance

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	4.00	4.00	5.00

Expenditures

Personnel Services	$ 527,675	$ 563,100	$ 690,500
Supplies	1,857	2,700	2,700
Services and Charges	28,659	37,300	41,000
Transfers Out	16,700	17,400	17,400
Total Expenditures	$ 574,891	$ 620,500	$ 751,600
		% Increase/(Decrease) Over 2026	21.1%

Highlights:

$67,400 increase in personnel services for proposed Finance Analyst position addition, with anticipated 7/1/2027 start date
$14,000 for auditing services allocated to general fund
$15,900 for financial-related professional services
$17,400 annual funding for software maintenance and future IT replacement program

Legal

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	-	-	-

Expenditures

Services and Charges	$ 136,374	$ 135,700	$ 167,900
Total Expenditures	$ 136,374	$ 135,700	$ 167,900
	% Increase/(Decrease) Over 2026		23.7%

Highlights:

$71,400 for City Attorney and specialized counsel (estimated $28,400 increase)
$96,500 for prosecuting attorney estimate, contracted with City of Brainerd

Information Systems (GIS)

	2025 Actual	2026 Budget	2027 Initial Requested Budget
Employee Full-Time Equivalency	1.00	1.00	1.00

Expenditures

Personnel Services	$ 166,826	$ 134,900	$ 199,000
Supplies	14,330	2,000	4,700
Services and Charges	15,820	16,500	78,100
Transfers Out	17,700	18,200	18,200
Total Expenditures	$ 214,676	$ 171,600	$ 300,000
	% Increase/(Decrease) Over 2026		74.8%

Highlights:

$5,500 for continued GIS support with City of Brainerd
$65,000 for proposed Xtonna managed IT services contract
$18,200 annual funding for software maintenance and future IT replacement program

Public Works Administration

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	3.50	3.50	4.50

Expenditures

Personnel Services	$ 535,997	$ 564,900	$ 689,700
Supplies	4,177	5,300	5,800
Services and Charges	93,048	64,300	132,300
Transfers Out	19,600	26,500	35,700
Total Expenditures	$ 652,822	$ 661,000	$ 863,500
		% Increase/(Decrease) Over 2026	30.6%

Highlights:

$11,000 for engineering intern; partially offset with Sourcewell funding

$124,800 increase in personnel services includes $26,400 for proposed additional 0.50 FTE Admin Assistant shared with Parks with a 7/1/2027 start (reorganized allocation of existing 0.50 FTE Parks Admin Assistant to water and sewer, total 6-mo position estimated cost $52,800), and $59,200 for a PW Engineering Inspector/Storm Water Tech (1.00 FTE total 6-mo cost of $59,200 with 0.50 FTE allocated to Storm Water, 7/1/2027 start date)

$117,000 requested for general engineering services, increase from $50,000

$5,000 for vehicle maintenance

$18,200 annual funding for future vehicle replacement in capital equipment fund (two truck replacements proposed in capital equipment fund)

$17,500 annual funding for software maintenance and future IT replacement program

Police

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	17.00	17.00	18.00

Expenditures

Personnel Services	$ 2,320,185	$ 2,651,700	$ 3,096,700
Supplies	135,006	112,400	116,000
Services and Charges	246,620	308,400	288,000
Capital Outlay	-	-	89,700
Transfers Out	203,546	120,900	215,300
Total Expenditures	$ 2,905,357	$ 3,193,400	$ 3,805,700
		% Increase/(Decrease) Over 2026	19.2%

Highlights:

$7,200 for police intern; partially offset with Sourcewell funding
$100,600 increase in personnel services for proposed 1.00 FTE Patrol Officer position addition, with anticipated 6/1/2027 start date
$14,900 for new customized badges
$56,500 for fuel
$42,700 of minor equipment, including: $3,000 LIDAR radar, $6,950 for Stalkar radar, $2,700 for simunition guns, $2,300 for simunition mask, $6,000 for tactical gear, $6,300 for office upgrades (Chief/Asst Chief desks)
$18,100 for mental health professional services
$48,500 for police-specific software annual maintenance, including $38,200 county record management costs
$45,000 for animal control and HART contracts, increase of $1,200
$36,700 for squad maintenance
$89,700 for a squad car addition in 2027 to fleet initiate a take home vehicle program
$96,700 annual funding for future squad car replacements in capital equipment (two squad replacements proposed in capital equipment fund)
$55,700 annual funding for software maintenance and future IT replacement program
$62,900 annual funding for Axon squad and body camera finance purchase agreement funding in capital equipment fund

Fire Protection

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	-	-	-

Expenditures

Services and Charges	$ 362,808	$ 379,300	$ 386,200
	% Increase/(Decrease) Over 2026		1.8%

Highlights:

Contract with the City of Brainerd

General Fund Expenditures (continued)

Streets

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	2.94	2.94	2.94

Expenditures

Personnel Services	$ 275,562	$ 344,900	$ 378,000
Supplies	176,716	235,400	294,500
Services and Charges	803,537	894,000	1,318,000
Capital Outlay	140,991	-	901,000
Transfers Out	217,500	190,300	147,800
Total Expenditures	$ 1,614,306	$ 1,664,600	$ 3,039,300
	% Increase/(Decrease) Over 2026		82.6%

Highlights:

$8,800 for seasonal staffing
$35,000 for fuel
$36,000 for street maintenance materials
$125,000 for street salt and sand
$38,000 for street sign replacement
$24,100 for minor equipment, including $2,500 for a plate compactor, $13,000 for sign board (for ’26 truck)
$10,500 for engineering for crack sealing bid
$74,000 for contract plowing (third year of contract)
$62,000 for striping
$318,000 for crack sealing ($68,000 increase from current budget)
$44,600 of professional services including $7,000 for HVAC and compressor maintenance, $10,000 for tree chipping piles, $6,600 for Crow Wing County ECS warning siren maintenance contract, and $20,000 for contract tree trimming/removal
$332,900 for public works facility maintenance, including $10,000 for shop maintenance, $4,000 cold storage maintenance, $5,000 for shop floor repairs, $27,500 PWF wall paint, $32,000 PWF ceiling paint, $21,400 public works storage area additional paving, $200,000 shop floor improvement (clean and recoat with epoxy), and $20,000 miscellaneous
$12,000 for concrete median repairs/curbs
$36,500 of street lighting and siren structure repairs, including siren battery replacements, an $11,500 increase
$170,000 for miscellaneous street maintenance and repairs, including: poly patching $50,000, spray patching $35,000, $30,000 for lateral seam patching and $10,000 miscellaneous
$85,000 for vehicle and machinery repair
$121,900 electricity costs for street lighting and $17,700 electricity cost for signal lights,
$720,000 for buildings and structures additions, including $195,000 for a storage lean-to and $525,000 for an addition to the public works facility
$126,000 for a 906M Cat mini loader
$55,000 for two storm siren replacements

$40,000 set aside in capital equipment fund for future siren replacement
$100,400 for future vehicle and equipment acquisition/replacement in capital equipment fund
$7,700 annual funding for software maintenance and future IT replacement program

Parks, Trails, and Grounds Maintenance

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	6.50	6.50	6.50

Expenditures

Personnel Services	$ 722,500	$ 826,800	$ 859,200
Supplies	81,123	135,300	197,200
Services and Charges	325,552	333,400	496,400
Transfers Out	95,900	62,300	66,900
Total Expenditures	$ 1,225,075	$ 1,357,800	$ 1,619,700
		% Increase/(Decrease) Over 2026	19.3%

Highlights:

$69,400 for seasonal staffing
$20,000 for rink attendant seasonal staffing
$27,400 for motor fuel
$10,000 for small tools (increase of $5,200) and $5,000 for signage
$79,000 for minor equipment, including $6,000 for a locator kit, $8,400 for tandem utility trailer, $7,500 for truck loader, $20,000 for Z950M mower, $20,000 for forestry head, $17,100 for tilt saw; overall increase of $58,100 from prior year
$12,800 for team sports minor equipment, including: $2,600 for a pitching machine, $9,000 for Berrywood Park scoreboard
$16,800 for minor land improvements, including $1,500 for dog waste stations, and $12,600 Whipple Beach dumpster enclosure, $2,700 for bollards
$135,000 continued funding for contract services, including $10,000 tree trimming/removal, $10,000 stump grinding, $10,000 debris chipping, $5,000 parks maintenance plan update, $7,000 Whipple Beach buoy and pier install/removal, $5,000 pier float repairs, $10,000 irrigation repairs, $10,000 roundabout snow removal, $5,000 salt trails, and $14,300 misc
$15,000 for landscaping (mulch, tree, and plant replacements)
$15,000 for Oscar Kristofferson Park, $10,000 for Loren Thompson Park, and $10,000 for Whipple Beach repairs and maintenance identified in Capital Asset Management Plan
$19,900 for building and structures repairs, including:
$8,000 for rink and perimeter fencing, $3,000 for power washing pavilions, $8,900 for Whipple Beach LED Upgrade
$85,000 for vehicle and equipment repairs and maintenance ($39,000 increase from 2026 budget)
$67,900 for rentals, including three loaders with plows for $56,200
$52,000 for future vehicle and equipment acquisition/replacement in capital equipment fund
$14,900 annual funding for software maintenance and future IT replacement program

General Fund Expenditures (continued)

Recreation Programs

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency	-	-	-

Expenditures

Services and Charges	$ 23,000	$ 23,000	$ 23,000
	% Increase/(Decrease) Over 2026		0.0%

Highlights:

Contract with ISD 181 Community Education to administer recreation programs

Operating Transfers to Other Funds

	2025 Actual	2026 Budget	2027 Initial Requested
Expenditures			
Cemetery	$ 15,000	$ 23,300	$ 35,200
Community Development	162,500	325,000	325,000
Economic Development	44,000	45,000	45,000
Debt Service	53,022	-	-
Capital Equipment	155,000	45,000	75,000
Capital Projects	510,079	200,000	200,000
Collector Street	387,000	387,000	387,000
Total Transfers Out	$ 1,326,601	$ 1,025,300	$ 1,067,200
Total General Fund Expenditures	$ 9,746,505	$10,263,400	$ 12,972,900
Net Revenues Over/(Under) Expenditures	$ 390,369	$ -	$ (2,741,300)

CURRENT INITIAL REQUESTED BUDGET HAS A $2,741,300 SHORTFALL BASED UPON CURRENT ESTIMATED REVENUES AND A PROPERTY TAX LEVY EQUAL TO THE 2026 OPERATING LEVY (BEFORE ANY LEVY INCREASE)

Highlights:

Property tax levy for other budgeted special revenue and capital project funds
$35,200 funding for cemetery to fund increased project requests
$45,000 funding to Capital Equipment for park playground future replacement funding
$325,000 operational funding to Community Development fund to the extent needed
$200,000 to capital equipment fund for partial funding of future city facilities professional services

Cemetery Fund

Revenues

	2025 Actual	2026 Actual	2027 Requested
Investment Earnings	$ 2,731	$ 1,300	$ 2,700
Change in Fair Value of Investments	1,573	-	-
Other	12,800	10,000	10,000
Transfers In	15,000	23,300	35,200
Total Revenues	$ 32,104	$ 34,600	$ 47,900

Highlights:

$35,200 transfer from the General Fund for operations, increase from $23,300 would be necessary to fund additional improvements requested

$3,600 budgeted for plot sales and $6,400 for columbarium niche sales

50% of plot and columbarium revenues reserved for perpetual care

Expenditures

	2025 Actual	2026 Budget	2027 Requested
Personnel Services	$ 5,650	$ 5,800	$ 5,700
Supplies	10,703	11,400	22,300
Services and Charges	15,041	12,100	14,600
Capital Outlay	(9,601)	-	-
Debt Service	345	300	300
Total Expenditures	$ 22,138	$ 29,600	$ 42,900
		% Increase/(Decrease) Over 2026	44.9%

Highlights:

$300 for cemetery commission funding

$5,000 for professional services, including tree trimming

$9,500 for flag pole with light, $5,600 to level top soil & seed section one, $5,100 section one irrigation, $2,600 additional irrigation zone (irrigation will require increase in utility and mowing maintenance budgets)

$2,500 for landscaping (seed, fertilizer, black dirt, and plant replacement)

$3,800 budgeted for columbarium interfund loan repayment during year

Net Revenues Over/(Under) Expenditures	$ 9,966	$ 5,000	$ 5,000

Revenues

	2025 Actual	2026 Budget	2027 Requested
Licenses, Permits, and Fees	$ 435,372	$ 249,000	$ 292,600
Intergovernmental Revenue	-	-	-
Charges for Services	267,474	144,400	181,700
Investment Earnings	56,980	26,000	42,000
Change in Fair Value of Investments	32,431	-	-
Other	-	-	-
Transfers In	162,500	325,000	325,000
Total Revenues	$ 954,757	$ 744,400	$ 841,300

Highlights:

$474,300 of estimated building permit, inspections, plan review, and planning and zoning fees, based upon current fee schedule

Up to a $325,000 transfer from the general fund to support a portion of the operations

Expenditures

Planning Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency (FTE)	2.50	3.00	3.00
Personnel Services	$ 350,895	$ 430,500	$ 479,800
Supplies	296	400	700
Services and Charges	29,196	39,000	38,500
Transfers Out	13,700	14,300	14,300
Total Expenditures	$ 394,088	$ 484,200	$ 533,300
	% Increase/(Decrease) Over 2026		10.1%

Highlights:

Code enforcement and inspector position budgeted for entire year

$2,000 for county WCA administration

$10,000 for legal fees

$10,000 planning & zoning consulting

$3,000 annual funding for future vehicle replacement in capital equipment fund

$11,300 annual funding for software maintenance and future IT replacement program

Building Inspection Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Employee Full-Time Equivalency (FTE)	1.50	2.00	2.00
Personnel Services	$ 159,931	$ 247,000	$ 262,800
Supplies	1,988	1,500	5,500
Services and Charges	37,078	30,800	49,900
Transfers Out	47,300	48,600	51,600
Total Expenditures	$ 246,297	$ 327,900	$ 369,800
	% Increase/(Decrease) Over 2026		12.8%

Highlights:

Code enforcement and inspector position budgeted for entire year
$30,000 allocated for building inspection services, as necessary
$35,000 allocated administration transfer
$3,500 annual funding for future vehicle replacement in capital equipment fund
$10,100 annual funding for software maintenance and future IT replacement program

Total Fund Expenditures	$ 640,384	$ 812,100	$ 903,100

Net Revenues Over/(Under) Expenditures	$ 314,372	$ (67,700)	$ (61,800)

*Fund balance deficit currently anticipated in the Community Development Special Revenue Fund, based upon projections with current building and planning-related fees. Building permit and planning fees are being evaluated for potential future adjustments. The Community Development fund balance fluctuates based upon annual activities and has been stabilizing. The fund will continue to be monitored, along with related revenues.

Capital Parks Fund

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Investment Earnings	$ 23,986	$ 4,600	$ 10,400
Change in Fair Value of Investments	12,552	-	-
Other	186,650	-	-
Transfers In	45,000	-	-
Total Revenues	$ 268,188	$ 4,600	$ 10,400

Highlights:

No park dedication fee revenues budgeted for the year

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Supplies	$ 2,637	$ -	$ -
Services and Charges	-	8,900	87,500
Capital Outlay	519,081	50,000	173,300
Other Debt	34,747	34,800	34,800
Total Expenditures	$ 556,465	$ 93,700	$ 295,600

Highlights:

$12,500 for Berrywood Capital Asset Management Plan, $75,000 for Whipple Beach Master Plan Study
$145,600 Whipple Beach ADA entry project, $27,700 dog park equipment
$34,800 for Camp Vanasek annual land payment to Crow Wing County

Net Revenues Over/(Under) Expenditures	$ (288,277)	$ (89,100)	$ (285,200)

Economic Development Fund

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Investment Earnings	$ 75,261	$ 33,100	$ 69,000
Change in Fair Value of Investments	43,625	-	-
Other	137,774	-	-
Transfers In	44,000	45,000	45,000
Total Revenues	$ 300,660	$ 78,100	$ 114,000

Highlights:

$45,000 transfer from the General Fund for BLAEDC contract and funding of EDA and Industrial Park activities

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Services and Charges	$ 92,795	$ 78,100	$ 75,100
Total Expenditures	$ 92,795	$ 78,100	$ 75,100

Highlights:

$41,000 requested for BLAEDC for contracted economic development services; increase of $1,000 or 2.5% from 2026

Net Revenues Over/(Under) Expenditures	$ 207,865	$ -	$ 38,900

Lodging Tax Administration Fund

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Lodging Tax	$ 490,982	$ 478,000	$ 538,200

Highlights:

$478,000 forecasted lodging tax receipts

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Services and Charges	$ 490,982	$ 478,000	$ 538,200

Highlights:

$511,300 to Visit Brainerd Lodging Association for marketing efforts (95%)
$26,900 allocated to the General Fund for administration (5%)

Net Revenues Over/(Under) Expenditures	$ -	$ -	$ -

Tax Increment Financing Funds

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Tax Increments	$ 520,348	$ 458,300	$ -
Investment Earnings	43,141	14,800	-
Change in Fair Value of Investments	25,038	-	-
Other	-	-	-
Transfers In			
Total Revenues	$ 588,527	$ 473,100	$ -

Highlights:

Accounts for city's current combined ten tax increment financing (TIF) districts

Currently reviewing estimated budgeted tax increment revenues generated on tax increment parcels

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Services and Charges	$ 113,604	$ 188,400	$ -
Debt Service	32,800	29,900	-
Transfers Out	131,948	133,000	-
Total Expenditures	$ 278,352	$ 351,300	$ -

Highlights:

Currently analyzing estimated tax increment related expenditures for 2027

Net Revenues Over/(Under) Expenditures	$ 310,176	$ 121,800	$ -

*

*****Fund balance is expected to fluctuate in the combined funds due to the timing of revenues versus expenditures for funds.

Sales Tax Collection Fund

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Sales and Excise Tax	$ 3,639,430	$ 3,343,600	$ 3,893,100
Investment Earnings	174,497	68,000	99,000
Change in Fair Value of Investments	99,203	-	-
Total Revenues	$ 3,913,130	$ 3,411,600	$ 3,992,100

Highlights:

$3,810,000 Local Option Sales Tax revenue forecasted

$83,100 Motor Vehicle Excise Tax revenue budgeted

Year-to-date sales tax through May is up 13% from last year and motor vehicle excise tax through July is down 8% from last year

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Services and Charges	$ 781,916	$ 716,200	$ 747,400
Transfers Out	2,604,448	3,790,800	607,000
Total Expenditures	$ 3,386,364	$ 4,507,000	$ 1,354,400

Highlights:

$64,300 for estimated state and city administrative costs

$656,900 estimated payment to Brainerd for airport revenue sharing agreement

Projected Sales Tax Transfers include:

$683,100 for 2009B debt service for wastewater treatment plant capacity

Net Revenues Over/(Under) Expenditures	$ 526,765	$ (1,095,400)	$ 2,637,700

Capital Equipment Fund

Purpose:

- Provide a sinking fund for future capital equipment replacement purchases
- Attempts to smooth annual capital outlay expenditures for systematic replacement of capital equipment, including squad cars, public works, and parks vehicles and IT-related equipment

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Intergovernmental Revenue	$ 66,984	$ -	$ -
Investment Earnings	67,759	35,000	48,000
Change in Fair Value of Investments	40,327	-	-
Other	17,922	-	23,800
Transfers In	869,546	677,600	785,000
Total Revenues	$ 1,062,538	$ 712,600	$ 856,800

Highlights:

$240,100 IT/GIS funding in all departments for technology replacements and citywide software annual maintenance
$96,700 Police vehicle replacement charges for future squad replacements
$62,900 Police squad and body camera funding for annual lease-purchase payment
$21,600 from General Fund for future public works admin ($18,200) and general government ($3,400) vehicle replacements
$6,500 from Community Development Fund for future vehicle replacements
$100,100 Streets vehicle replacement charges for future truck and equipment replacements
$52,000 Parks vehicle/equipment replacement charges for future truck and equipment replacements
$90,100 enterprise funds allocations for future public works truck and equipment replacements, including 2027 public works skidsteer proposed replacement
$75,000 annual allocation for future playground equipment funding requested, increase from $45,000
$40,000 funding for future siren replacement funding

Capital Equipment Fund

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Supplies	$ 60,460	$ 66,000	$ 41,500
Services and Charges	99,311	117,500	149,400
Capital Outlay	223,268	312,400	533,500
Debt Service	84,574	-	-
Transfers Out	45,000	-	-
Total Expenditures	$ 512,612	$ 495,900	$ 724,400

Highlights:

$149,400 for citywide annual software maintenance subscriptions
$41,500 for PC replacements, iPad replacements
$180,000 requested to replace all three public works administration trucks (unit #2102, #2103, and #2104)
$62,900 estimated for police squad and body camera finance-purchase lease payment
$78,500 requested for squad 366 replacement and $67,900 for squad 370
$144,000 for public works skid steer with attachments replacement with estimated $23,800 trade-in

Net Revenues Over/(Under) Expenditures	$ 549,926	$ 216,700	$ 132,400

Collector Street Fund

Purpose:

- Provide a sinking fund for future collector street construction on a pay-as-you-go basis
- Minimizes the need to issue debt and levy for debt service for the City's share of project costs such as additional street width, lanes, and curb and gutter
- Provides an additional revenue source to leverage MSA for City collector streets

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Special Assessments	$ 155,014	$ 116,900	$ 116,200
Intergovernmental Revenue	654,039	27,000	25,100
Investment Earnings	119,822	49,000	78,700
Change in Fair Value of Investments	68,920	-	-
Transfers In	387,000	387,000	387,000
Total Revenues	$ 1,384,795	$ 579,900	$ 607,000

Highlights:

Funding for projects from an annual General Fund allocation

$25,100 estimated from Minnesota Transportation Advancement Account aid

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Services and Charges	$ -	$ -	$ -
Transfers Out	625,762	600,000	-
Total Expenditures	$ 625,762	$ 600,000	$ -

Highlights:

Currently researching whether the city's municipal state aid (MSA) funding can be used toward TH371-related project costs

Net Revenues Over/(Under) Expenditures	$ 759,033	$ (20,100)	$ 607,000

Street Replacement Fund

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Franchise Fees	$ 339,191	$ 348,400	$ 350,300
Intergovernmental Revenue	214,344	205,000	210,000
Investment Earnings	81,433	35,500	38,900
Change in Fair Value of Investments	46,385	-	-
Total Revenues	$ 681,353	$ 588,900	$ 599,200

Highlights:

$210,000 Municipal State Aid (MSA) funding for MSA street maintenance
$350,300 franchise fees for pavement management activities

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Services and Charges	$ 557,629	$ 855,900	$ 530,700
Transfers Out	-	-	-
Total Expenditures	$ 557,629	$ 855,900	$ 530,700
Net Revenues Over/(Under) Expenditures	$ 123,724	$ (267,000)	$ 68,500

Highlights:

$405,700 of estimated micro-surfacing projects for 2027, based upon rebalanced schedule
$125,000 requested for PMP pilot project utilizing Replay soybean oil application testing

Trail Construction and Maintenance Fund

Purpose:

- Provide a sinking fund for future trail maintenance and reconstruction
- To provide a sinking fund for future trail construction by leveraging DNR and other grants with matching funds from this construction fund

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Special Assessments	$ 7,695	$ 7,600	$ -
Franchise Fees	48,800	38,400	38,400
Charges for Services	5,026	-	-
Investment Earnings	17,175	8,000	8,200
Change in Fair Value of Investments	9,954	-	-
Total Revenues	$ 88,650	$ 54,000	$ 46,600

Highlights:

$38,400 franchise fees allocated for pavement management

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Services and Charges	$ 2,376	$ 54,000	$ 149,000

Highlights:

$128,000 requested for various trail segment maintenance and repairs (crack sealing, poly patching, bituminous patching, micro-surfacing, and Berrywood ADA ramp, Southdale ADA ramp, Whipple Beach ADA ramp repairs)

May need to adjust projects based upon available funding

Net Revenues Over/(Under) Expenditures	$ 86,274	$ -	$ (102,400)

Debt Service Fund

Revenues

	2025 Actual	2026 Budget	2027 Initial Requested
Property Taxes	$ 1,075,658	$ 1,076,000	$ 1,076,000
Special Assessments	4,047,107	2,035,600	2,278,300
Intergovernmental Revenue	1,188,281	18,600	12,600
Investment Earnings	229,394	151,600	166,600
Change in Fair Value of Investments	139,401	-	-
Transfers In	789,418	733,700	735,700
Total Revenues	$ 7,469,258	$ 4,015,500	$ 4,269,200

Highlights:

$1,076,000 debt service levy
$2,278,300 of special assessment principal and interest revenues
Transfers to fund for related debt service:
- $607,000 from Sales Tax Fund
- $128,700 from tax increment funds

Expenditures

	2025 Actual	2026 Budget	2027 Initial Requested
Debt Service	$ 4,327,420	$ 4,839,700	$ 6,094,000
Net Revenues Over/(Under) Expenditures	$ 3,141,839	$ (824,200)	$ (1,824,800)

Debt Service Levies by Fund

	2025 Actual	2026 Budget	2027 Requested
G.O. Improvement Bonds 2015	377	-	-
G.O. Improvement Bonds 2018	64,664	-	-
G.O. Improvement Bonds 2019	91,967	127,600	-
G.O. Improvement Bonds 2020	150,024	190,000	160,000
G.O. Improvement Bonds 2022	240,561	235,000	180,000
G.O. Improvement Bonds 2023	219,814	270,000	310,000
G.O. Improvement Bonds 2024	308,250	253,400	190,000
G.O. Improvement Bonds 2026	-	-	236,000
Total Debt Service Levies	$ 1,075,658	$ 1,076,000	$ 1,076,000