# City of Baxter, MN

## 2027
## Proposed Operating Budget

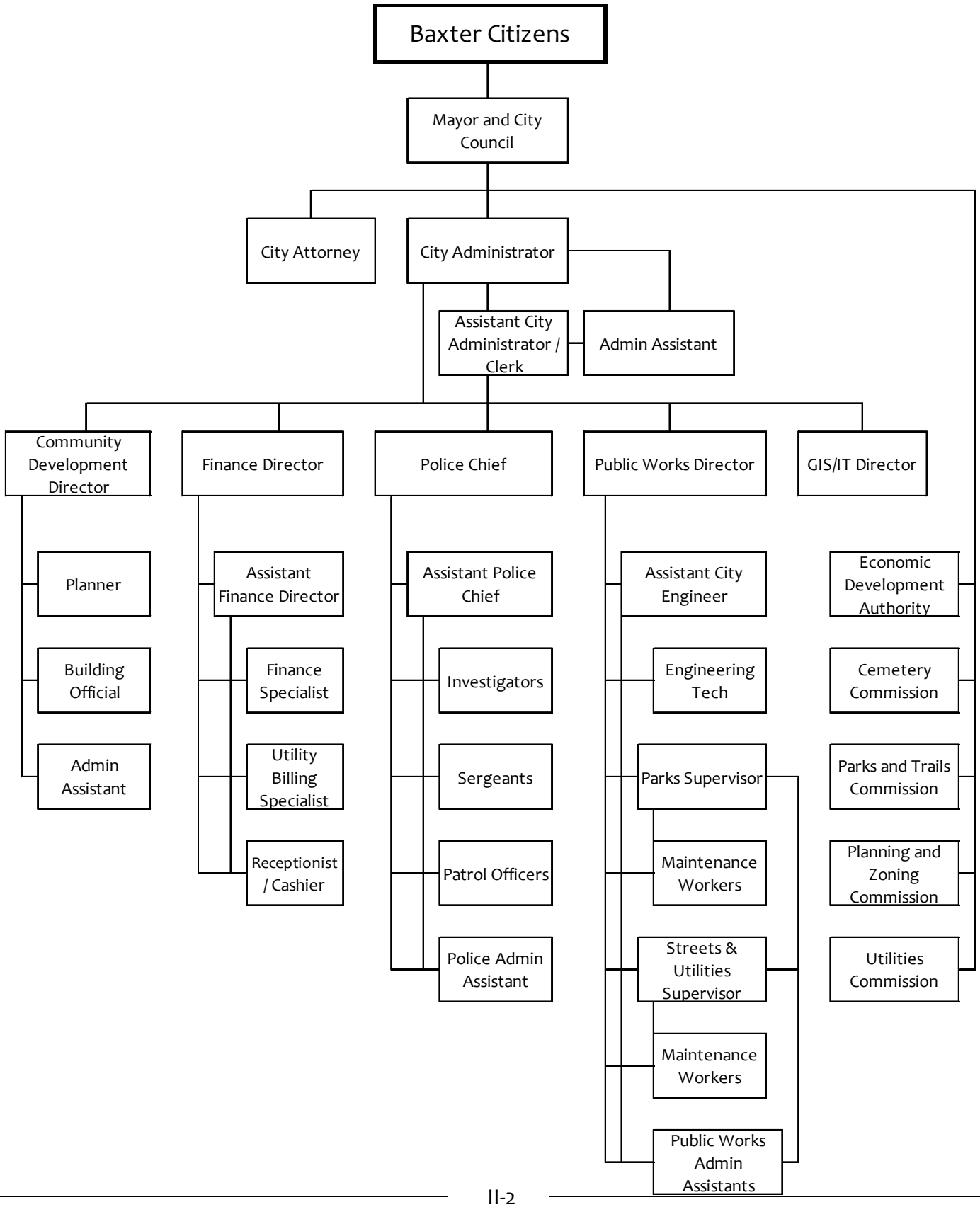
## Governmental Funds

BAXTER
"A Growing Community"

**September 15, 2026**
**Work Session – Continued Discussion**

**Prepared by City of Baxter**
**Department of Finance**

# Organizational Chart



# General Fund Expenditures

**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~~* $2,484,300 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.

*After public works recommended adjustments to remove the $126,000 new request for a mini loader and revised $69,000 for the public works facility floor recoating improvements (originally requested at $200,00), net reduction $257,000

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 | 1,187,000 |
| Capital Outlay | 140,991 | - | 775,000 |
| Transfers Out | 217,500 | 190,300 | 147,800 |
| Total Expenditures | $ 1,614,306 | $ 1,664,600 | $ 2,782,300 |
| | % Increase/(Decrease) Over 2026 | | 67.1% |

**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
$201,900 ~~$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, $69,000 ~~$200,000~~ shop floor improvement (clean and recoat with epoxy) (updated by public works at 09/09 work session), 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~~ public works removed at 09/09 work session

$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 | $ 12,715,900 |
| Net Revenues Over/(Under) Expenditures | $ 390,369 | $ - | $ (2,484,300) |

**CURRENT INITIAL REQUESTED BUDGET HAS A $2,484,300 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 Initial 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 improvement requests (see note below)

$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 Initial 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 Initial 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 Initial 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 |