

**2027 General Fund Operating Levy Impact
from 09/15/26 Proposed Budget with 09/18/26 Proposed Adjustments**

		<u>Overall Levy Increase</u>		<u>Net Tax Capacity*</u>	<u>Net Tax Cap Rate</u>	<u>TC Incr</u>	
2026 Final Levy (Operating & Debt Service)	\$ 9,678,700			19,368,090	49.97%		
09/09/26 Proposed Overall Levy (Based upon requests before any additional adjustments)	\$ 12,163,000	\$ 2,484,300	25.67%	20,144,853	60.38%	776,763	4.01%

Proposed Administration Adjustments

Remove additional 0.50 PW admin assistant (PW Admin portion, shared with Parks); net savings (0.50 FTE savings in Water/Sewer)	(3,900)
Reduce PW Admin engineering	(57,000)
Adjust PW Admin vehicle replacement schedule (1 each 2027/28/29)	(3,000)
Add Police Axon Body Cam/Taser Fees for additional officer	3,200
Remove Police additional squad car request for take home program	(89,700)
Adjust Streets maintenance materials (\$50,000 Mastic materials less \$6,000 reduction)	44,000
Reduce Streets buildings repairs/maintenance (PWF study, PWF painting)	(74,500)
Reduce Streets repairs structures-lighting	(9,500)
Reduce Streets repairs with removal of Polypatching	(50,000)
Remove Streets storage lean-to building	(195,000)
Remove Streets public works facility addition	(525,000)
Remove Streets siren replacement (funding provided for future replacements/CWC evaluation)	(55,000)
Reduce Streets vehicle replacement funding (Skidsteer deferred)	(10,000)
Remove Parks Whipple Beach dumpster enclosure project	(12,600)
Reduce Parks CDL training (to be completed in 2026)	(8,000)
Reduce Parks professional services	(20,000)
Reduce Parks repairs machinery/equipment	(20,000)
Remove Parks two of three requested loader rentals and other miscellaneous rentals	(44,500)
Reduce Cemetery transfer for minor land improvements	(10,200)
Remove annual playground replacement funding (utilize 2025 General Fund Balance for 2 years); annual savings for 2027**	(75,000)
Add Enterprise Funds contributions toward PWF building maintenance	(44,600)
Other adjustments?	

Net Adjustments	<u>(1,260,300)</u>
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Revised Proposed Overall Levy after Adjustments	\$ 10,902,700	\$ 1,224,000	12.65%	20,144,853	54.12%
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*Preliminary Net Tax Capacity from CWC as of 09.14.26, subject to change before final next year

****2025 ended with a \$421,400 assigned general fund balance for infrastructure contributions**
Propose utilizing **\$150,000 toward future playground funding, representing \$75,000 annual**
contributions for 2027 and 2028, eliminating the funding need for the next two years;
resume funding in 2029 for 2028 Whipple Beach and 2030 Berrywood replacements

Remaining \$271,400 could be available to fund city costs toward 371 overpass project,
including roundabout landscaping that do not have other funding sources

2027 Existing Personnel Costs projected to increase **\$643,200** in the General Fund
based upon contract wage increases and benefit cost increases.
The increase represents about **53%** of the levy increase needed for the figures
presented in proposed revised general fund budget request above.

Property Tax Comparison on Selected Values

The following table provides a comparison for certain Baxter homes and a smaller commercial/industrial property from 2026 to 2027 based on legislative, budget, and voter approved changes.

The 2027 rates and figures are proposed only. Each jurisdiction will adopt a final levy in December.

These comparisons are calculated with an average 1.57% residential increase and 2.09% commercial valuation increase from payable 2026 to proposed payable 2027 from data provided by Crow Wing County (overall increase approximately 1.81%)

2026 Values				
	Home Value 2026	Home Value 2026	Home Value 2026	C/I Value 2026
Estimated Market Value (EMV)	\$ 95,000	\$ 245,700	\$ 520,000	\$ 500,000
Homestead Market Value Exclusion	(38,000)	(24,437)	-	n/a
Taxable Market Value	57,000	221,263	520,000	500,000
Net Tax Capacity (NTC)	570	2,213	5,250	9,250
2026 Baxter Tax Capacity Rate (TCR)	49.972%	49.972%	49.972%	49.972%
2026 City Taxes	\$ 285	\$ 1,106	\$ 2,624	\$ 4,622

2027 Values				
	Home Value 2027	Home Value 2027	Home Value 2027	C/I Value 2027
Estimated Market Value (EMV)	\$ 96,492	\$ 249,557	\$ 528,164	\$ 510,450
Homestead Market Value Exclusion	(37,866)	(24,090)	-	n/a
Taxable Market Value	58,626	225,468	528,164	510,450
Net Tax Capacity (NTC)	586	2,255	5,352	9,459
2027 EST Proposed Baxter Tax Cap Rate (TCR)	54.122%	54.122%	54.122%	54.122%
2027 City Taxes	\$ 317	\$ 1,220	\$ 2,897	\$ 5,119

City Only Dollar Change	\$ 32	\$ 115	\$ 273	\$ 497
City Only Percent of Change	11.4%	10.4%	10.4%	10.8%

Based upon Preliminary Figures:

Proposed Levy (Current Figure)	\$ 10,902,700
Estimated NTC	\$ 20,144,853
Estimated 2027 NTC Rate (Current Figure)	54.12%
2026 NTC Rate	49.97%