



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator</i>	Meeting Date: <i>February 3, 2026</i>	Item Name: <i>Long Range Financial Planning</i>
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OVERVIEW

Based on feedback from Council and staff, as well as my experience during my short time with the City of Breezy Point, Long-Range Financial Planning appears to be the overarching framework under which many of the Council's priorities and challenges fall. This discussion is intended to initiate a broader conversation about the City's long-term goals, recognizing that many of the items on the agenda align under this unifying framework. The purpose of this discussion is to be high-level in nature and to gauge the Council's appetite for long-term planning and what that process may look like moving forward.

In the past few years, the City has undertaken many large projects, and this council has an opportunity to properly plan for large financial investments over the next 10-15 years. Because the City will be issuing its first debt in a long time for Buschmann Road, now is a good time to develop a long-term guide for ongoing financial management and debt issuance.

Large financial investments that the Council will likely consider over the next 10-15 years include:

- Continued street improvement projects
- Collector road reconstructions (no assessments)
 - Dove Street
 - N Lakeview Drive
- Wastewater treatment facility expansion
- Future sewer trunk lines extension
- Parks master plan implementation
- Address Public Works facility
- Ongoing capital equipment purchases (Equipment CIP)
- Replenish capital reserves

The Council should engage in a discussion about retaining a consultant for a long range financial plan and come to a consensus on how to properly plan for long term financial needs so there aren't ongoing levy spikes and dips. Staff believes this would be a useful tool to plan for the investments needed in the next 10-15 years. See a few examples of what that could look like here:

- City of Shorewood: <https://shorewoodmn.gov/DocumentCenter/View/1480/LTFMP-Report-2025?bidId=>
- City of Carver: <https://cityofcarver.com/DocumentCenter/View/3895/Long-Term-Financial-Plan-2026---2035>
- City of Monticello: <https://www.monticellomn.gov/DocumentCenter/View/7583/Long-Term-Financial-Management-Plan-PDF?bidId=>

Some questions that the Council members may want to consider for themselves or have a discussion about to help guide them towards financial planning are:

- How do you view debt? What is your ongoing comfort level with debt issuance as a funding source?
- What is the Council's goal for capital reserves and how should we maintain adequate balance in that fund?
- What are your indicators of financial health for the city: stability, growth, affordability for taxpayers, quality service?
- Is the Council comfortable aiming towards a gradual stable levy increase?
- How do you determine whether a service/expenditure is financially sustainable versus popular?