City of Medina
2027 Revenue Forecast

Medina City Council

September 14th, 2026

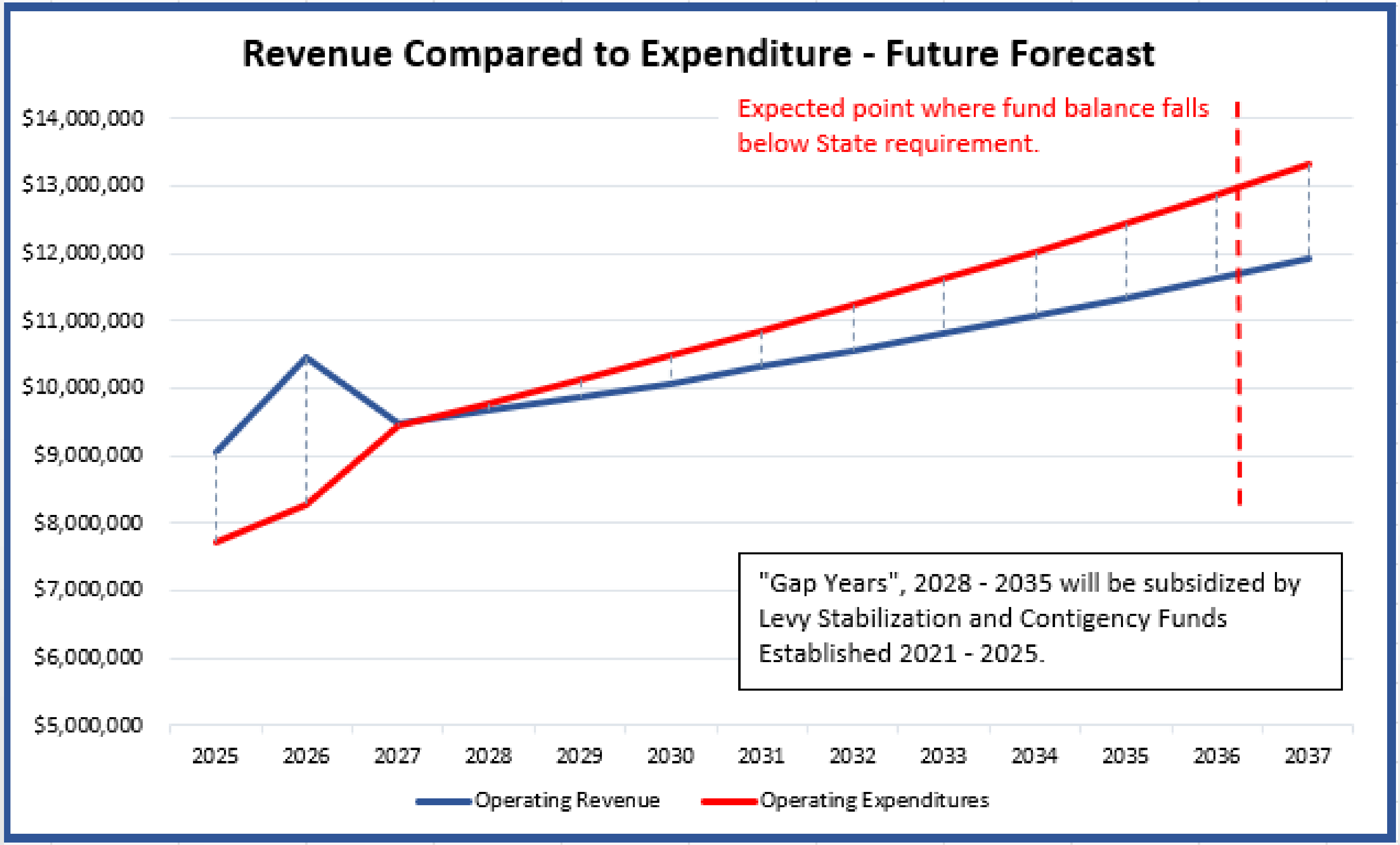
Budget Roadmap

- July 13th, 2026 – Council Approves 6 Year Capital Improvement Plan
- July 27th, 2026 – Department Directors start to prepare 2027 budget documents
- August 24th, 2026 – Staff and Council participate in the preliminary 2027 budget retreat
- September 14th, 2026 – Council holds the first Public Hearing on the 2027 budget, presentation on city revenues

2019 Levy Lid Lift Election Overview

- 10 Year Long Term Financial Plan for the City of Medina's General Fund (2020-2029)
  - Provide Sustainable Level of Funding
  - Maintain 2019 Level of Service Going Forward
  - Levy Stabilization Fund to Maintain Level of Service 2026-2029
  - $2,685,000 will be the fund balance of the stabilization fund by 12/31/2025
    - 2021 – Deposited $500,000 into Fund
    - 2022 – Deposited $500,000 into Fund
    - 2023 – Deposited $1,000,000 into Fund
    - 2024 – Deposited $400,000 into Fund
    - 2025 – Depositing $285,000 into Fund

General Fund



Fund Balances for Reserve Accounts

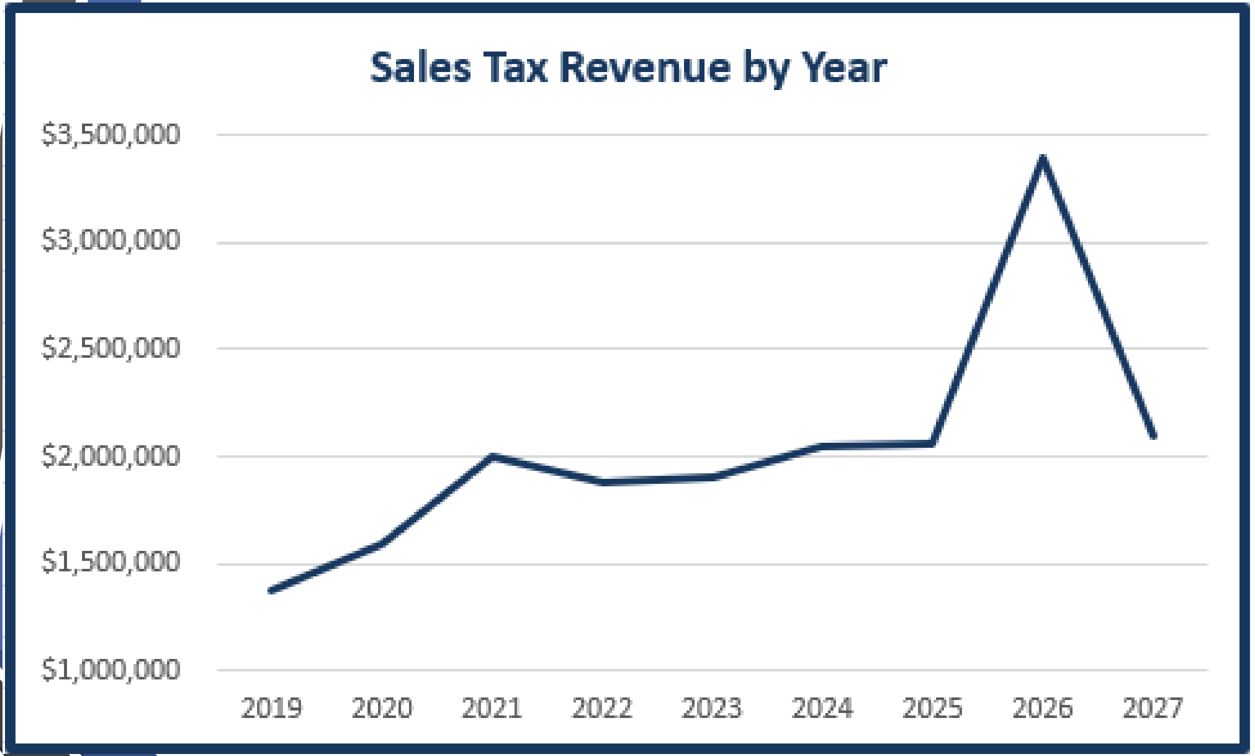
- Levy Stabilization Fund - a dedicated financial reserve used by local governments to hold excess tax or fee revenues collected during peak years to draw from later to offset deficit spending. Expected deficit spending within the General Fund starting in 2028.
  - Current Balance is $2,685,000

- Contingency Fund - a dedicated financial reserve set aside to cover unexpected expenses or financial emergencies.
  - Current Balance is $1,750,000

Key Medina Revenue Sources

- General Fund
  - Property Taxes
    - Will be covered in greater detail during the second public hearing on October 12th
  - Sales and Use Tax
  - Utility and Franchise Fees
  - Investment Income
- Capital Fund
  - REET 1 and REET 2
  - Grants
  - Investment Income

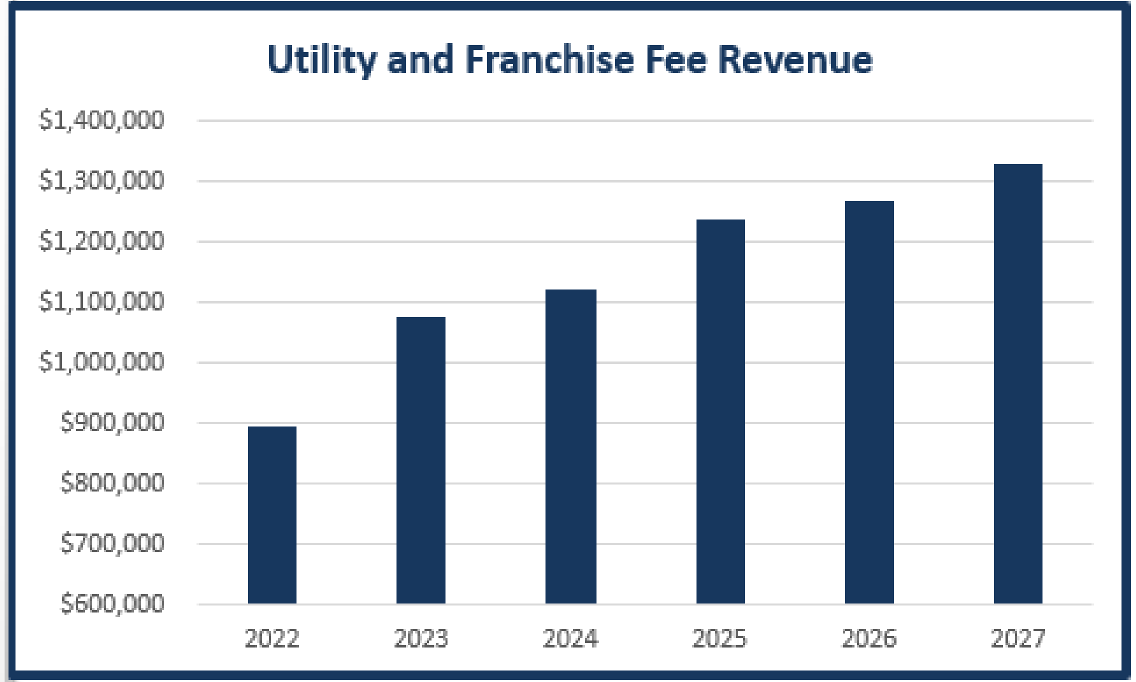
Local Retail Sales and Use Tax



- 2027 budgeted amount - $2,100,000
- 22% of General Fund Revenue - second largest
- Medina's tax is 10.4%
  - 6.5% State and 3.9% Local
  - includes construction, online orders along with the purchase of physical goods within city limits
  - Increase of 0.1% from HB2015 Passed in 2026 for Public Safety Funding

Utility and Franchise Fees

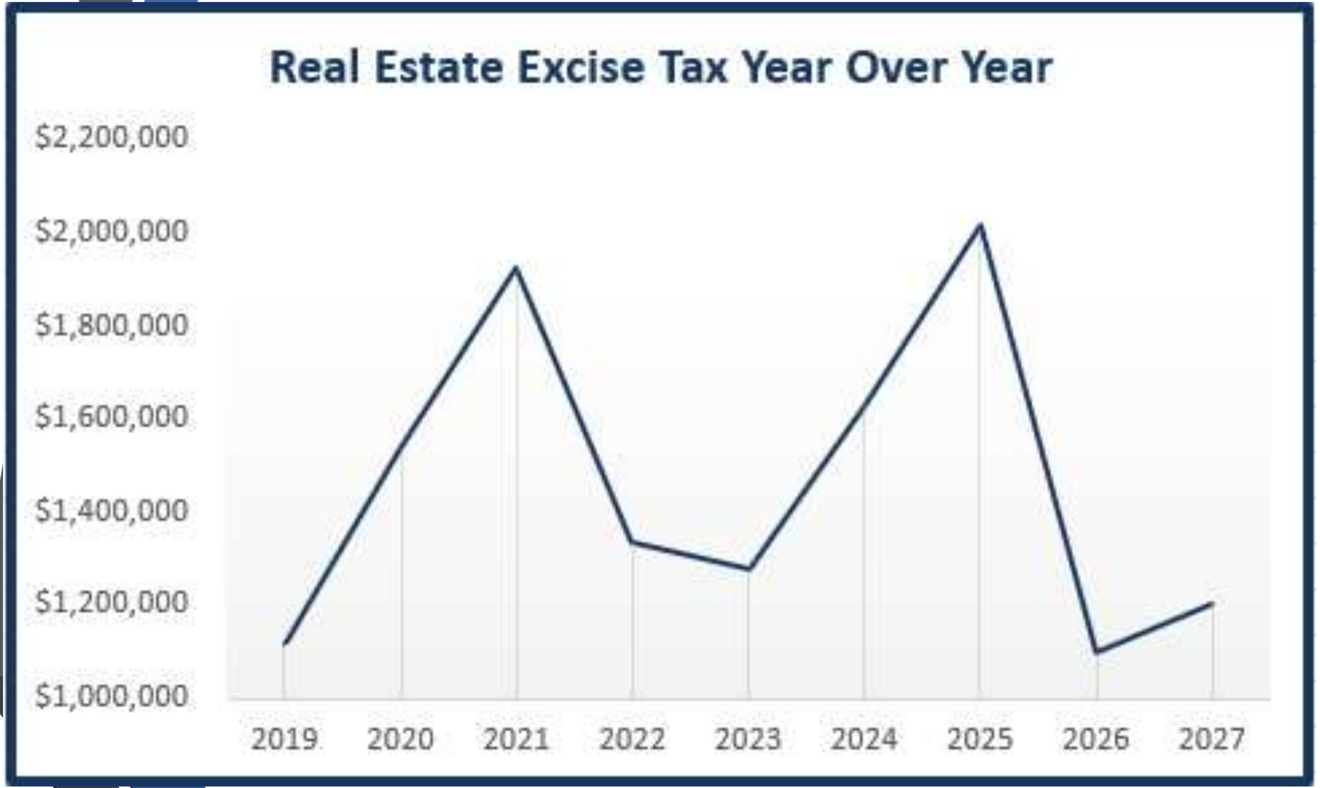
- 2027 budgeted amount - $1,329,510
- 14% of General Fund Revenue - third largest
- Utilities included at a 6% rate
  - Electricity, Gas, Water and Sewer, Garbage and Solid Waste, Cable, Telephone
  - Additional 4% Franchise Fee for Water/Sewer and Cable



Investment Income

- Two sources of Investment Income, LGIP and Bond Portfolio
- LGIP is a state-mandated local government investment program that pools to provide safe but competitive returns.
- Medina’s bond portfolio follows a ladder approach, with various investment spread at six-month intervals through March of 2029.

Real Estate Excise Tax



- Restrictive revenue source that is the primary funding source for major capital projects within the city.
- REET 1, or the "first quarter percent" – a 0.25% REET which may be imposed by any city, town, or county primarily for capital projects and limited maintenance;
- REET 2, or the "second quarter percent" – an additional 0.25% REET which may be imposed by any city, town, or county fully planning under the Growth Management Act, to be used primarily for capital projects and limited maintenance;

Budget Roadmap

- September 28th, 2026 – City Council Discussion on Expenditures
- October 12th, 2026 – Second Public Hearing on Proposed Budget With Property Tax Breakdown
- October 14th, 2026– Scheduled 2027 Budget Open House
- November 9th, 2025 – Final Public Hearing on Proposed Budget, sets property tax levy to KC Assessors Office
- November 9th, 2026 – Council Votes to Adopt 2027 Budget

Questions?