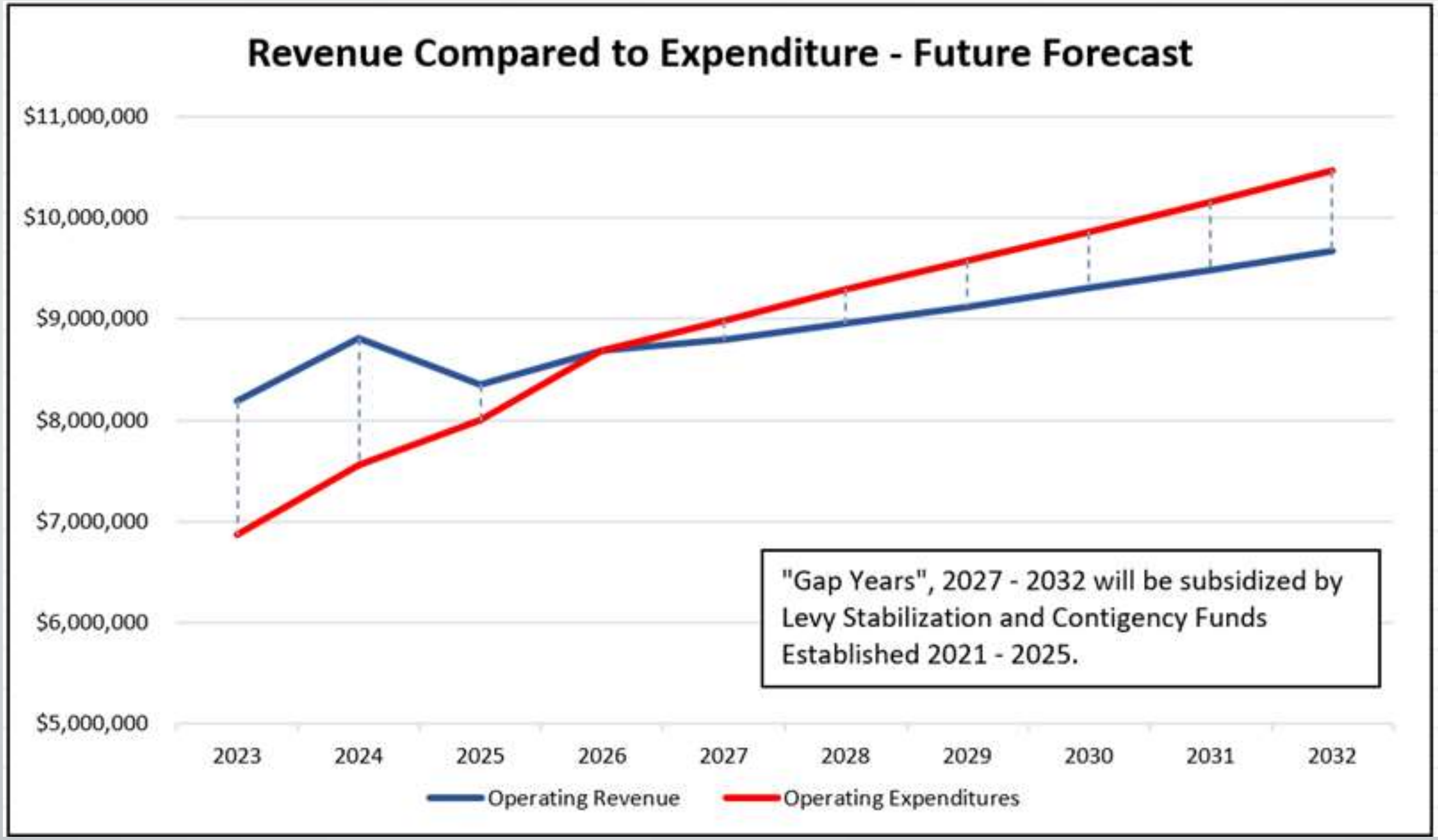
City of Medina
2026 Preliminary Budget Presentation

Medina City Council

September 8th, 2025

2019 Levy Lid Lift Election Overview

- 10 Year Long Term Financial Plan for City of Medina (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



Revenue Compared to Expenditure - Future Forecast
$11,000,000
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
"Gap Years", 2027 - 2032 will be subsidized by Levy Stabilization and Contigency Funds Established 2021 - 2025.
Operating Revenue
Operating Expenditures

2026 Budget Summary

City of Medina 2025 Budget - General Fund			
General Fund	2025 Budget	2026 Budget	Variance
Revenue	$ 8,357,061	$ 8,691,985	$ 334,924
Expenditures	8,332,306	8,450,761	$ 118,455
Capital Fund	2025 Budget	2026 Budget	Variance
Revenue	$ 1,535,000.00	$ 1,395,000.00	$ (140,000.00)
Expenditures	$ 850,000.00	$ 900,000.00	$ 50,000.00
Development Services Fund	2025 Budget	2026 Budget	Variance
Revenue	$ 1,060,050.00	$ 816,500.00	$ (243,550.00)
Expenditures	$ 1,208,513.00	$ 937,028.00	$ (271,485.00)

2026 Department Asks

- Police Department
  - Axon Body Cam Translator - $4,500/year
- Public Works
  - Replacement Backhoe - Estimated Cost $100,000
  - Electric 60 Inch Deck Ride on Mower – $72,000
- Long Range Planning/Streets
  - Transportation Systems Plan (TSP) Update - Estimated Cost $100,000 in 2026

Key Medina Revenue Sources

- General Fund
  - Property Taxes
    - Will be covered in greater detail during the second public hearing on October 13th
  - 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

- 2026 budgeted amount - $2,025,000
- 13% of General Fund Revenue - second largest
- Medina’s tax is 10.2%
  - 6.5% State and 3.7% Local
  - includes online orders along with the purchase of physical goods within city limits

Utility and Franchise Fees

- 2026 budgeted amount - $1,155,000
- 13% 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.

REET 1 and REET 2

- 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;

Future Dates of Note

- September 11th, 2025 – Preliminary Budget Provided to City Council
- September 22nd, 2025 – City Council Study Session on Budget (Deep Dive)
- October 2025 – Budget Open House Event – Date TBD
- October 13th, 2025 – Second Public Hearing on Proposed Budget With Property Tax Breakdown
- November 10th, 2025 – Final Public Hearing on Proposed Budget, sets property tax levy to KC Assessors Office
- November 10th, 2025 – Council Votes to Adopt 2026 Budget

Questions?