



CITY OF MINNETRISTA

REQUEST FOR CITY COUNCIL DISCUSSION

Item –2027 Budget/Levy Considerations Discussion

Prepared By: Brian Grimm, Finance Director

Meeting Date: June 15, 2026

Item: After our audit was presented in May, it seems to be a good point to discuss upcoming 2027 budget and levy considerations. City Staff is working on preliminary levy scenarios and an overall preliminary budget to be brought to City Council at the August worksessions. Staff wanted to get Council feedback on the front end as to what an acceptable preliminary levy framework/target would look like.

I have attached several pages of financial information to help with the discussion. The first two are related to the tax levy. Page one is the final 2026 certified tax levy. The second page is an excerpt from our audit presentation on taxes per capita.

The next page is the 2026 General Fund Summary Page with the 2025 actual numbers updated in it. This is to illustrate where we project to be at the end of 2026 for fund balance dollar amount as well as a percentage of general fund expenditures. In addition to that is another slide from our audit that shows how the City of Minnetrista current expenditures on a per capita basis compares to some of our neighboring cities.

Lastly, is a draft/proforma first run at a 2027 financial management plan summary page. This was done at a high level and is used to show how some of the components of the 2027 levy and 2027 general fund along with debt and special levies may/could look like.

For purposes of this discussion, there will be 3 categories of items to talk about regarding both the general fund operations and the associated overall tax levy impacts:

- 1) Items that City is working on/having meetings on for 2027**
- 2) Items to be addressed**
- 3) Items the City has been doing annually**
 - 1) Items that the City is working on/having meetings (general fund impact)**
 - a. Compensation (non-union adjustments and union contracts)**
estimated 3% increase to levy (\$235,000)
 - b. Fire Contracts/Services**– based information to date Estimated impact \$80,000 (1% of levy)
 - c. Cafeteria Plan/other benefits** - Estimated impact \$ 100,000 – (1.3% of levy)

Mission Statement:

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- d. **Comprehensive plan update** – budgeting dollars in 2027 for this item \$50,000 – general fund impact .70 levy impact
- e. **Inflationary impacts** - Estimated impact \$40,000 (.5% of levy)

Subtotal for this area - \$505,000 (projected 6.5% increase to levy)

2) Items to be addressed (general fund impact)

- a. **Keeping fund balance at 40% or higher in general fund**– For 2026 we are projecting ending up right around 40% when comparing fund balance to general fund expenditures. With projected general fund expenditures increase for 2027 would need to put money to fund balance to keep at 40% estimate net impact \$120,000– 1.5%

Subtotal for this area – \$120,000 (projected 1.50% increase to levy)

Total projected for general fund combined - \$625,000 (potential 8.0% increase to levy)

3) Items the City has been doing:

- a. **Roads:** The annual roads levy currently sits at \$400,000 for 2025. There was a roughly \$350,000 annual debt levy that came on in 2024 related to the 2023 road projects and the annual levy starting in 2027 on the 2026 road projects will be about \$135,000 . For a total of \$885,000 in roads levy dollars. Previously the City had been adding \$100,000-\$150,000 annually to the road fund levy. If we do this again in 2027 it would be about a 1.3-1.8% levy impact. The Road fund balance right now is at about \$2,000,000.
- b. **Capital Equipment Plan** – For the last few years, the City has been raising the levy for funding the Capital Equipment Plan by \$50,000. One of the main reasons for this is to try and get away from using equipment certifications. The levy for this sits at \$250,000 right now. City Staff is looking at initial CIP equipment plan drafts and will bring more information to City Council on funding this through, combination of cash levy, equipment certificates, and other financing sources. Depending on if it would be recommended to up the cash levy by \$50K and/or do an equipment certificate it could be an impact up to \$150,000-\$175,000 for 2027 – estimated impact 2.0-2.25% levy increase.

Total potential impacts – When adding the above numbers from the above three sections together the potential levy increase from an initial draft looks to be in the \$875,000-\$950,000 range. Which would be a range of about 11-12%. For reference, last year’s levy increase was a 10% increase when comparing 2026’s final levy to 2025 final levy.

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Recommended City Council Action: Have a discussion on 2027 budget/levy considerations. Get feedback from City Council on what is an acceptable number for the 2027 preliminary tax levy

Does Recommended Action meet City Goals/Priorities? x Yes No
Explain: Adapt to a changing economy – monitor budget to actual numbers

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CITY OF MINNETRISTA
 COUNTY OF HENNEPIN
 STATE OF MINNESOTA
**ADOPTING FINAL 2025 TAX LEVY,
 COLLECTIBLE IN 2026**

Be it resolved by the City Council of the City of Minnetrista, County of Hennepin, Minnesota, that the following sums of money be levied for the current year, collectible in 2025, upon the taxable property in the City of Minnetrista, for the following purposes:

GENERAL FUND	\$ 5,930,136
ROADS	\$ 400,000
CIP (Capital Equipment Plan)	\$ 250,000
BOND -EQUIPMENT CERTIFICATES 2025/2026 A	\$ 75,000
BOND - EQUIPMENT CERTIFICATES 2024 A	\$ 125,000
BOND - EQUIPMENT CERTIFICATES 2023 A	\$ 54,500
BOND - EQUIPMENT CERTIFICATES 2020 A	\$ 100,000
2023 STREET PROJECTS (2023 A)	\$ 350,000
GAME FARM ROAD/SOUTH BAY (2019A)	\$ 89,729
2017 STREET PROJECTS (2017A)	\$ 118,000
PUBLIC FACILITIES PROJECT (2014 B)	\$ 346,000
TOTAL FINAL 2025 PAY 2026 LEVY	\$ 7,838,365

Operations Levy

Gross Levy	Fiscal Disparities	Net Levy
\$6,580,136	(\$148,926)	\$6,431,210

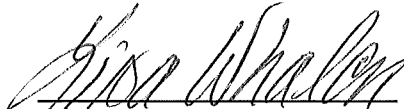
Special Levies

Game Farm/South Bay Bond	Equipment Certs	2017 Street Projects Bond	Pub Facil (2014 B) Project	2023 Street Projects (2023 A)	Total Special Levies
\$89,729	\$354,500	\$118,000	\$346,000	\$350,000	1,258,229

Special levy notes – A portion of the debt service tax levy as established in the bond documents for the 2014 B bond is being reduced as it is being reimbursed/paid by the City of Saint Bonifacius. The debt service tax levy as established in the bond documents for the 2012A Bond is being cancelled as the debt obligation will be paid through MSA dollars in lieu of tax levy. The principal and interest payments as established in the bond documents for the 2020A General Obligation Revenue bonds are being are paid for with sufficient funds being collected through water fund revenues to pay the required debt service. The debt service tax levy for 2023 for the 2020A Equipment Certificates is being approved at the amount listed above to cover those principal and interest payments. The small difference is covered by levies from previous years. A portion of the debt service tax levy as established in the bond documents for the 2017A bond is being reduced by fund balance on hand. The 2024 Equipment Certificates are being levied at what is needed for the P& I payments less available fund balance. The 2025 A or 2026 A Equipment Certificates is for bonds that are being issued later in 2025 or early 2026. With the first tax levy scheduled for 2026 for P & I payments.

A certified copy of this resolution shall be submitted to the County Auditor of Hennepin County, Minnesota, by Tuesday December 30, 2025.

This resolution was adopted on the 8th day of December 2025, by a vote of 5 Ayes and 0 Nays.



Mayor

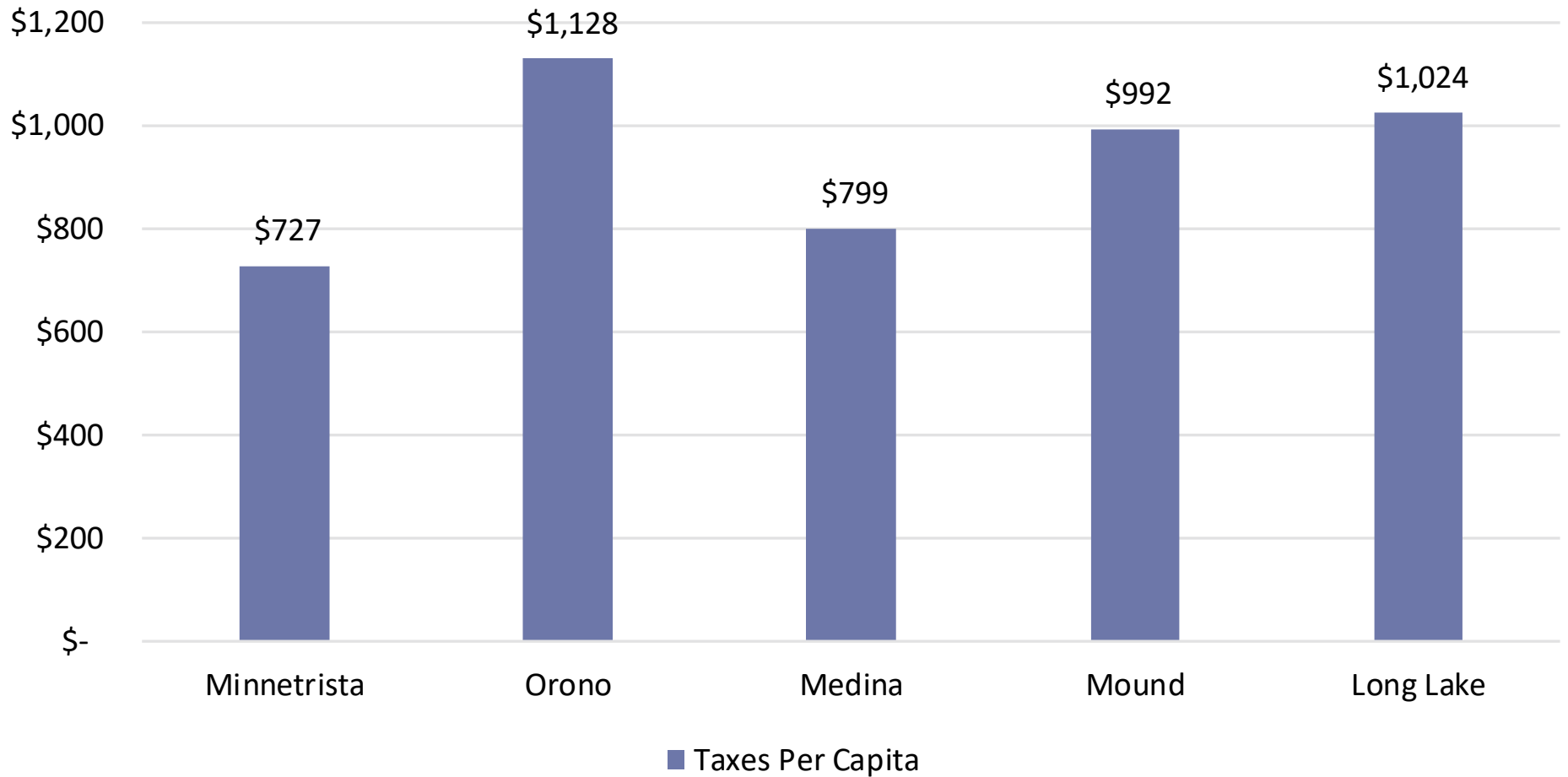
ATTEST:



City Clerk (SEAL)

Financial Results (Continued)

Taxes Per Capita Comparison - 2024 (Per Office of the State Auditor Data)



**City of Minnetrista
2026 Budget with 2025 Actuals
General Fund Summary**

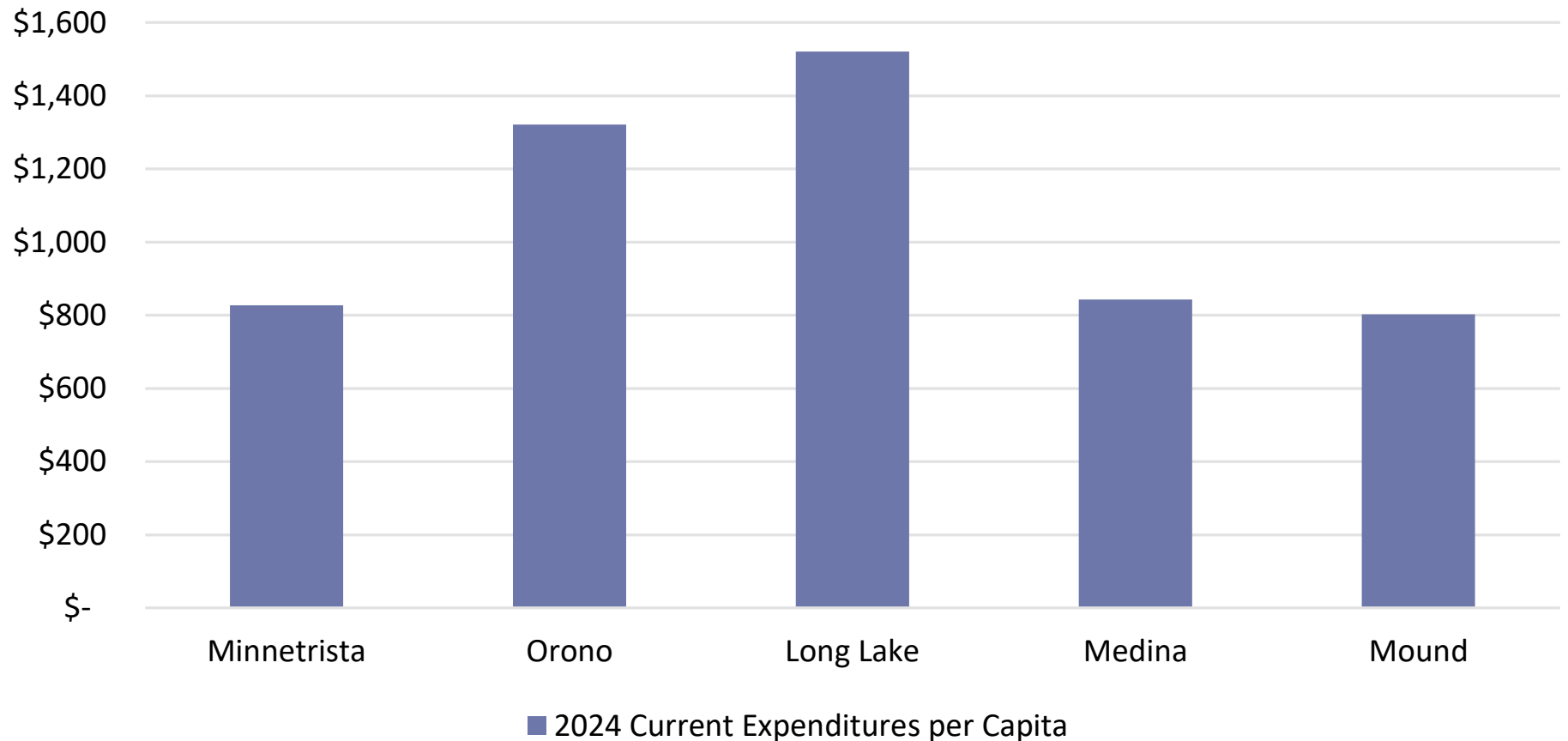
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GENERAL FUND SUMMARY

	2023	2024	2025	2025	2026 Final
	Actuals	Actuals	Budget	Actuals	Budget
GENERAL FUND REVENUE					
Property Tax	\$ 4,100,025	\$ 4,806,290	\$ 5,172,638	\$ 5,149,866	\$ 5,930,136
Licenses & Permits	\$ 1,172,501	\$ 820,857	\$ 759,000	\$ 725,913	\$ 309,000
Intergovernmental	\$ 510,103	\$ 291,378	\$ 249,000	\$ 286,468	\$ 294,000
Fines	\$ 42,201	\$ 30,306	\$ 35,000	\$ 36,270	\$ 35,000
Other/Charges for services	\$ 889,192	\$ 771,115	\$ 735,959	\$ 742,496	\$ 1,124,930
TOTAL G.F. REVENUES	\$ 6,714,022	\$ 6,719,946	\$ 6,951,597	\$ 6,941,013	\$ 7,693,066
GENERAL FUND EXPEND.					
Legislative	\$ 49,873	\$ 53,625	\$ 48,331	\$ 52,914	\$ 51,957
Administrative	\$ 553,678	\$ 671,595	\$ 687,534	\$ 727,867	\$ 764,957
Elections	\$ 2,669	\$ 24,774	\$ 3,000	\$ 65	\$ 27,000
Auditing	\$ 33,600	\$ 41,939	\$ 41,160	\$ 40,628	\$ 45,000
Assessor	\$ 198,000	\$ 205,000	\$ -	\$ -	\$ -
Planning	\$ 296,250	\$ 317,193	\$ 332,442	\$ 332,908	\$ 351,165
Legal	\$ 82,596	\$ 110,357	\$ 105,000	\$ 127,020	\$ 110,000
Buildings	\$ 85,483	\$ 85,159	\$ 90,800	\$ 93,677	\$ 91,300
Police	\$ 2,616,015	\$ 2,944,126	\$ 3,140,961	\$ 3,206,194	\$ 3,451,646
Fire	\$ 633,311	\$ 714,493	\$ 726,080	\$ 723,574	\$ 829,820
Inspections	\$ 252,230	\$ 281,144	\$ 288,235	\$ 258,366	\$ 293,201
Engineering	\$ 12,847	\$ 12,000	\$ 39,182	\$ 48,882	\$ 55,037
Streets	\$ 951,398	\$ 1,063,478	\$ 1,066,949	\$ 1,036,636	\$ 1,113,903
Snow and Ice Removal	\$ 178,018	\$ 67,293	\$ 167,017	\$ 101,379	\$ 177,702
Street Lighting	\$ 27,179	\$ 35,392	\$ 32,000	\$ 33,597	\$ 36,000
Park Areas	\$ 153,721	\$ 178,092	\$ 181,895	\$ 194,036	\$ 187,464
Culture and Recreation - Gillespie	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Misc. Expense	\$ 7,129	\$ 3,509	\$ 30,000	\$ 10,266	\$ 30,000
Insurance	\$ 8,816	\$ 8,007	\$ 10,000	\$ 10,000	\$ 10,000
Transfers - Capital Fund/Roads	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL G. F. EXPENDITURES	\$ 6,142,813	\$ 6,817,176	\$ 6,990,586	\$ 6,998,009	\$ 7,636,152
Projected 2023 Surplus					
One time police Funds in December 2023					
G.F. SURPLUS/(DEFICIT)	\$ 571,209	\$ (97,230)	\$ (38,990)	\$ (56,996)	\$ 56,914
Transfers to CIP Fund					
Transfers - Administrative charges on projects					
Year End Fund Balance	\$ 3,106,723	\$ 3,009,493	\$ 2,970,503	\$ 2,952,497	\$ 3,009,411
General Fund Percentage of	50.57%	44.15%	42.49%	42.19%	39.41%

Financial Results (Continued)

Current Expenditures Comparison - 2024 (Per Office of the State Auditor Data)



**CITY OF MINNETRISTA
FINANCIAL MANAGEMENT PLAN**

06-15--26

GENERAL FUND	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Actuals	2026 Budget	2027 Projected
REVENUE											
GENERAL PROPERTY TAX	3,231,251	3,207,516	3,208,025	3,412,349	3,500,659	3,589,974	4,100,025	4,806,290	5,149,866	5,930,136	6,555,136
General Fund Levy Reserve from Surplus											
LICENSES & PERMITS	624,524	883,738	921,166	956,557	812,506	834,638	1,172,501	820,857	725,913	309,000	200,000
INTERGOVERNMENTAL	133,066	180,861	175,817	766,665	182,264	190,211	510,103	291,378	286,468	294,000	302,820
FINES & FORFEITS	45,202	53,445	43,123	22,743	31,180	30,315	42,201	30,306	36,270	35,000	36,050
OTHER FINANCING SOURCES	478,617	467,638	560,156	498,539	495,735	258,945	889,194	771,115	742,496	1,124,930	997,429
TOTAL REVENUE	4,512,660	4,793,198	4,908,287	5,656,853	5,022,344	4,904,083	6,714,024	6,719,946	6,941,013	7,693,066	8,091,435
EXPENSES											
GENERAL GOVERNMENT	1,118,361	1,087,723	1,080,329	1,136,917	1,088,023	1,119,739	1,302,152	1,509,642	1,375,076	1,441,379	1,499,034
PUBLIC SAFETY	2,538,467	2,688,397	2,771,973	2,820,850	2,937,134	3,141,981	3,514,333	3,939,763	4,237,016	4,574,667	4,757,654
PUBLIC WORKS	859,565	961,680	944,307	913,107	948,853	1,041,716	1,156,594	1,178,163	1,171,615	1,382,642	1,437,948
CULTURE AND RECREATION	149,900	157,331	139,117	147,269	172,437	147,225	153,721	178,092	194,036	197,464	205,363
OTHER FUNCTIONS	36,382	30,293	11,256	14,055	24,571	24,819	16,013	11,516	20,266	40,000	41,600
TOTAL EXPENSES	4,702,675	4,925,424	4,946,982	5,032,198	5,171,018	5,475,480	6,142,813	6,817,176	6,998,009	7,636,152	7,941,598
REVENUE OVER (UNDER) EXPENSES	(190,015)	(132,226)	(38,695)	624,655	(148,674)	(571,397)	571,211	(97,230)	(56,996)	56,914	149,837
Potential transfer to CIP (401) fund											
Administrative Charges on Projects	200,000	80,000		50,000			(225,398)				
Transfer/reserve for CIP/technology/roads	(125,000)										
Cell Phone Tower Revenue Reclassification & transfer 501 fund											
Loring Drive											
Projected Positive Variance - Bldg Permit Revenue											
Ending General Fund Balance	2,897,248	2,845,022	2,806,327	3,480,982	3,332,308	2,535,513	3,106,724	3,009,494	2,952,498	3,009,412	3,159,249
Percent of Expenditures to Ending Fund Balance	62%	58%	56%	69%	64%	46%	51%	44%	42%	39%	40%
GENERAL FUND OPERATING TAX LEVY	3,231,251	3,207,516	3,208,025	3,412,349	3,500,659	3,589,974	4,100,025	4,806,290	5,149,866	5,930,136	6,555,136
ANNUAL INCREASE	-0.1%	-0.7%	0.0%	6.4%	2.6%	2.6%	14.2%	17.2%	7.1%	15.2%	10.5%
Roads levy	250,000	350,000	475,000	600,000	725,000	875,000	875,000	450,000	575,000	400,000	400,000
Capital Improvement Plan (CIP)	0	0	0	50,000	100,000	150,000	150,000	150,000	200,000	250,000	300,000
Equipment Certificates (2015-2017 current)	210,000	210,000	210,000	209,500	140,000	57,500	0	0	0	0	0
Equipment Certificates (2023 - future)		50,000	105,000	0	0	44,500	100,000	154,500	279,500	354,500	479,500
2023 Roads Project								350,000	350,000	350,000	350,000
Halstead/Enchanted (2017 Street Projects)		75,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000
Mound Fire Hall Debt & CIP	72,000	72,000	72,000	72,000	72,000	72,000	0	0	0	0	0
Public Facilities Debt	368,000	368,000	368,000	346,000	346,000	346,000	346,000	346,000	346,000	346,000	346,000
Game Farm/South Bay Drive	122,609	122,609	99,209	89,729	89,729	89,729	89,729	89,729	89,729	89,729	89,729
2026 Street Debt (New levy in 2027)	0	0	0	0	0	0	0	0	0	0	135,000
Maple Crest Debt	20,500	20,500	20,500	20,500	20,500	20,500	20,500	35,500	0	0	0
TOTAL SPECIAL LEVY	793,109	918,109	992,709	855,729	786,229	748,229	674,229	1,093,729	1,183,229	1,258,229	1,518,229
TOTAL TAX LEVY	4,289,150	4,473,650	4,675,734	4,945,212	5,111,888	5,363,203	5,799,254	6,500,019	7,108,095	7,838,365	8,773,365
POTENTIAL NEW LEVY (Capital Bonding - Street Projects)	0	0	0	0	0	0	0	0	0	0	0
LESS FISCAL DISPARITIES	116,040	118,963	126,604	135,505	154,244	158,473	158,390	137,375	147,857	148,926	153,394
NET LEVY TO TAXPAYERS	4,173,110	4,354,687	4,549,130	4,809,707	4,957,644	5,204,730	5,640,864	6,362,644	6,960,238	7,689,439	8,619,971
% Tax Levy Change (in dollars)	2.89%	4.35%	4.47%	5.73%	3.08%	4.98%	8.38%	12.80%	9.39%	10.48%	12.10%