CITY OF MINNETRISTA

REQUEST FOR CITY COUNCIL ACTION/DISCUSSION

Subject: –Res No 99-26 Approve Debt Levy at 100% of 2027 Bond payments

Prepared By: Brian Grimm, Finance Director - for Department Manager Budget Working Group

Meeting Date: Date: September 9, 2026

Per Minnesota Statute 475.061, municipalities may levy up to 105% of the next year's debt payments. The City Council has historically levied for 100% of the next year's bond payments. Statute 475.061 provides for the council, at it's discretion to authorize adopting a levy that is less than the 105% that is allowed. Per our auditor, the City should annually adopt and set the percentage that is collected for the debt levy.

Adopting a policy where the Council levies for the additional 5% provided by statute would increase the debt levy by about $70,000. The debt funds have adequate cash and fund balance for retiring debt service at this time but due to delinquent taxes and other factors, this could change in the future.

Recommended City Council Action:
Adopt attached resolution to Levy for 100% of 2027 bond payments on existing debt issues and then monitor for future budget cycles to see if the change to 105% levy of future bond payments is warranted

Does Recommended Action meet City Mission Statement? x Yes No
Does Recommended Action meet City Goals/Priorities? x Yes No
Explain: This item is a discussion on the 2027 budget and levy for funding 2027 debt levies.

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

RESOLUTION NO. 99-26

Adopting a Debt Levy for 100% of 2027 Bond payments on existing debt instead of the statutory allowed 105% of 2027 bond payments

WHEREAS, pursuant to Minnesota Statutes, 475.61, Cities can levy up to 105% of their next year's bond payments

WHEREAS, the City Council historically has adopted a budget that levies for 100% of bond payments

WHEREAS, fund balances are available to allow for this to happen again for 2027

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Minnetrista, that it is levying for 100% of the City's bond payments in 2027

APPROVED, this 9th day of September, 2026, by a vote of ______ Ayes and Nays.

____
Mayor

ATTEST:

____
City Clerk