AGENDA
CITY COUNCIL WORK SESSION

November 24, 2025 - 6:00 PM
Lakeville City Hall, Marion Conference Room

Members of the public can participate in person at Lakeville City Hall, Marion Conference Room. Members of the public may join the meeting via Teams Meeting, **Meeting ID: 276 485 596 886 or by calling Toll Number 1-323-433-2142; Conference ID: 432 130 403#.** The mayor will allow for public comments and questions at the appropriate time.

The City Council is provided background information for agenda items in advance by staff and appointed commissions, committees, and boards. Decisions are based on this information, as well as City policy, practices, input from constituents, and a council member's personal judgment.

[IGNORE_INDENT]

1. Call to order, moment of silence and flag pledge

2. Citizen Comments

3. Discussion Items

30 min	a.	Lakeville Fire Relief Benefit and State Aid Proposal	Michael Meyer
30 min	b.	Deployment of Citywide License Plate Reader (LPR) cameras	Brad Paulson
15 min	c.	2026 Special Revenue Fund Budgets	Julie Stahl
30 min	d.	2025 YE Preview and Final 2026 Budget/Levy Discussion	Julie Stahl

4. Items for Future Discussion

5. Committee/ City Administrator Updates

6. Adjourn

Date: 11/24/2025

Lakeville Fire Relief Benefit and State Aid Proposal

<u>Proposed Action</u>
Review Proposal with Lakeville Fire Association on the proposed benefit level and state aid sharing proposal.

<u>Overview</u>
The Lakeville Fire Relief Association is proposing a multi-year agreement that would shorten the vesting schedule, increase the benefit level over the next two years, and establish a cost-sharing arrangement for state aid between the Relief Association and the City of Lakeville.

<u>Supporting Information</u>
1. LFRB Memo 2025 10.27.25v1

Financial Impact: $ **Budgeted:** No **Source:** **Envision Lakeville Community Values:** **Report Completed by:** Michael Meyer, Fire Chief

Memorandum

To: Mayor Luke Hellier and Lakeville City Council
From: Lakeville Fire Relief Association ("LFRA")
Copy: Mike Meyer, Fire Chief
Julie Stahl, Finance Director
Date: November 7, 2025
Subject: State Aid Partnership Proposal

Mayor Hellier and Lakeville City Council,

It is with great enthusiasm and spirited partnership that we tender this memorandum for your consideration. In August, City Administrator Justin Miller participated in the LFRA monthly board meeting to introduce the concept of revenue sharing from the annual State Aid pension funding. Historically, these funds have been exclusively utilized to fund paid-on-call firefighters' pensions. The idea contemplated in this memo expands the purpose and utility of these valuable funds to include partial funding of Lakeville's full-time firefighters' PERA contributions.

Currently, full-time PERA contributions are covered by the firefighters and the SAFER grant, which expires at the end of 2027. After 2027, the City of Lakeville will be solely responsible for the portion of PERA previously covered by the grant. This proposal provides a sustainable way to partially fund that future obligation.

Accordingly, this moment in time represents an impactful opportunity for LFRA and the City of Lakeville. We believe this partnership is a win-win, as our independent financial projections confirm the plan's ability to support the increased benefits while remaining soundly funded, and the enhanced benefit is the most impactful mechanism to attract and retain paid-on-call talent. To this end, the LFRA proposes the following:

Proposed Amendments to LFRA Pension Benefit (Effective Upon City Council Approval):

Vesting Schedule Change (effective Jan 1, 2026):

- Current: Full vesting at 15 years; partial vesting initiating at 5 years of service (40%).
- Request: Full vesting at 10 years; partial vesting initiating at 5 years of service (40%).

Annual Pension Benefit Level (effective as indicated below):

- Current: $15,000
- Request: $17,500 (Jan. 1, 2026), increasing to $20,000 (Jan. 1, 2027)

Proposed State Aid Contribution to Full-Time Fire PERA

- 2026 = 9% of LFRA State Aid (approximately $74,250*)
- 2027 = 9% of LFRA State Aid (approximately $85,500*)
- 2028 = 30% of LFRA State Aid (approximately $322,500*)

*Assumptions based on projected State Aid

For reference, the City's investment into the initial six firefighters (not covered by the SAFER grant) costs the city the following in PERA benefits (through 2027). The cost reflected in 2028 is all for all 21 full-time firefighters:

2024 actual	2025 estimate	2026 estimate	2027 estimate	2028 estimate
$77,900	$96,800	$102,600	$108,800	$395,900

All previously provided data related to the ever-changing demands of firefighting in Lakeville remain relevant, including, but not limited to, the substantial increases in personal risk and overall time commitment directly attributable to Lakeville's significant growth. This aligns Lakeville's benefits with one of our closest mutual aid partners, Apple Valley Fire Department, which is also moving to a $20,000 benefit level and already has full vesting at 10 years of service.

Most importantly, the Plan's performance and funding levels supports this proposal. As evidenced by the independent financial projections provided by CliftonLarsonAllen, coupled with historical fund performance, this proposal allows the pension fund to remain financially sound and sufficiently funded over the next three years (*See Appendix – CliftonLarsonAllen LLP Data*), while directly and positively impacting LFD's full-time firefighters.

As previously stated, LFRA has partnered with the City and this Council to advance a meaningful pension benefit for all LFD paid-on-call firefighters. We should collectively take great pride in the progress made on this benefit to date. Due to these efforts, the pension benefit is the most impactful and actionable mechanism to attract paid-on-call talent and encourage tenure at LFD. Accordingly, we have a remarkable opportunity to further forge the bond between LFD's full-time and paid-on-call firefighters, along with the City and this Council, and ensure long-term stability for all.

Thank you for your continued commitment to strongly support the men and women of the Lakeville Fire Department.

Respectfully Submitted,

Lakeville Fire Relief Association

Appendix

LFD Years of Service (Current)

Years of service	# of active members
0 - 2 years	13
3 - 6 years	17
7 - 10 years	10
11 - 14 years	12
15 - 20 years	9
20 +	3
Total	64

Proposed Vesting Schedule (424a.02)

Completed Years of Active Service	Vested Percentage of Pension Amount
5 Years	**40%**
6 Years	**52%**
7 Years	**64%**
8 Years	**76%**
9 Years	**88%**
10 or more Years	**100%**

Clifton Allan Larson Projections

5 Yr / 10 Yr **No Split**

	5% Assumption Return	8% Assumption Return	Annual Pension Amount	Relief Percentage of State Aid
2025	135%	135%	$15,000	100%
2026	130%	133%	$17,500	100%

2027	122%	129%	$20,000	100%
2028	125%	135%	$20,000	100%

5 Yr / 10 Yr 9% - 9% - 10% Split

	5% Assumption Return	8% Assumption Return	Annual Pension Amount	Relief Percentage of State Aid
2025	135%	135%	$15,000	100%
2026	129%	133%	$17,500	91%
2027	120%	127%	$20,000	91%
2028	121%	131%	$20,000	90%

5 Yr / 10 Yr 9% - 9% - 15% Split

	5% Assumption Return	8% Assumption Return	Annual Pension Amount	Relief Percentage of State Aid
2025	135%	135%	$15,000	100%
2026	129%	133%	$17,500	91%
2027	120%	127%	$20,000	91%
2028	120%	130%	$20,000	85%

5 Yr / 10 Yr 9% - 9% - 25% Split

	5% Assumption Return	8% Assumption Return	Annual Pension Amount	Relief Percentage of State Aid
2025	135%	135%	$15,000	100%
2026	129%	133%	$17,500	91%
2027	120%	127%	$20,000	91%
2028	120%	130%	$20,000	75%

Date: 11/24/2025

Deployment of Citywide License Plate Reader (LPR) cameras

Proposed Action
No formal action required. Information is for discussion purposes only.

Overview
The Lakeville Police Department has seen a consistent increase in regional crimes involving stolen vehicles, catalytic converter thefts, property damage, and organized retail/residential theft groups using vehicles to commit and flee from offenses, among other quality of life crimes such as hit and runs.

In recent years, LPR systems have proven to be one of the most effective tools in proactive policing and criminal investigations. Multiple agencies across the metro area, including Prior Lake, Eagan, Dakota County, Savage, and Shakopee have deployed LPR systems with measurable success. There are even private retailers in our community that have found success in their loss prevention initiatives by placing LPRs on their private property. These systems allow agencies to:

- Identify and alert officers to stolen vehicles, wanted people, or vehicles associated with Amber Alerts.
- Providing critical investigative leads by capturing license plates entering or exiting the city.
- Share and receive data regionally with other law enforcement agencies through the LPR networks, fostering inter-agency collaboration.

The system uses motion-activated cameras that capture license plate data and associated vehicle descriptors (color, make, type, and unique features). Images are retained for 30 days and are **not** used for traffic enforcement or real-time vehicle tracking. Access is restricted to authorized users for legitimate law enforcement purposes and complies with state and federal data retention standards.

Supporting Information
1. Flock Memo & Policy 11.18.25

Financial Impact: $ **Budgeted:** No **Source:**
Envision Lakeville Community Values: Safety Throughout the Community; Good Value for

Public Service
Report Completed by: Brad Paulson, Chief of Police

TO: Mayor & Members of the Lakeville City Council
FROM: Chief Brad Paulson, Lakeville Police Department
DATE: November 18, 2025

SUBJECT: Work Session Proposal; Deployment of Citywide License Plate Reader (LPR) cameras.

Purpose

The purpose of this memo is to brief the City Council on the proposed deployment of 20 License Plate Reader (LPR) cameras strategically placed throughout the City of Lakeville, with emphasis on primary ingress and egress points. The initiative aims to enhance community safety, increase officer safety, assist in criminal investigations, and provide regional interoperability with neighboring agencies utilizing similar systems.

Background

The Lakeville Police Department has seen a consistent increase in regional crimes involving stolen vehicles, catalytic converter thefts, property damage, and organized retail/residential theft groups using vehicles to commit and flee from offenses, among other quality of life crimes such as hit and runs.

In recent years, LPR systems have proven to be one of the most effective tools in proactive policing and criminal investigations. Multiple agencies across the metro area, including Prior Lake, Eagan, Dakota County, Savage, and Shakopee have deployed LPR systems with measurable success. There are even private retailers in our community that have found success in their loss prevention initiatives by placing LPRs on their private property. These systems allow agencies to:

- Identify and alert officers to stolen vehicles, wanted people, or vehicles associated with Amber Alerts.
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Envision Lakeville

The Envision Lakeville plan emphasizes delivering public safety in a way that reflects our core community values. A key value is Safety Throughout the Community. LPR technology focuses on proactive crime prevention, enhancing officer and community safety, improving citywide situational awareness, and providing neighborhood-level protection without physical intrusion.

This initiative also aligns with the City's strategic priority of providing services that add value by offering a high-impact public safety service at a reasonable cost, delivering measurable value to residents, supporting expectations for modern and effective public safety tools, and reinforcing Lakeville's commitment to being a safe and desirable community.

Proposed Deployment Plan

The proposed deployment includes 20 fixed LPR cameras focused on key travel corridors and perimeter routes leading in and out of the city.

Primary focus areas include:

- Major north/south and east/west arterial roadways (e.g., Kenwood Trail, CR 46, Cedar Ave. CR 70, 185th Street)
- City exit & access points to/from I-35
- Secondary entrances along key feeder roads and commercial corridors
- Border locations that align with routes shared by neighboring agencies for regional data overlap. Ex 185th St W with Prior Lake (CR 21 @ Revere Way)

The specific locations will be finalized following site assessments in partnership with LPR engineers and applicable City staff to ensure optimal coverage.

Cost and Funding

- **Installation:** $7,050 covers installation for all 20 cameras, which includes a mix of City, County and MNDoT Right of Ways
- **Annual Service Fee:** $3000.00 per camera (includes cellular connectivity, software, maintenance, and 24/7 support)
- **Total Estimated Annual Cost:** $60,000 (for 20 cameras)
- **Budget Impact:** We believe we could cover the installation and deployment of the cameras without impact on the overall 2025 budget or the proposed 2026 budget by repurposing some funds designated for other areas.

Privacy and Oversight

LPR systems do **not** use facial recognition software and there is no way to search for a person within the LPR system. The LPR cameras capture images focused on the rear of vehicles from public roadways. The system retains images for **30 days** before automatic deletion unless they are part of an active investigation. All queries of the system require a search reason and are associated with a unique user ID which is logged and retained indefinitely. This enables the Lakeville Police Department to audit system use and ensure that system use is lawful and in accordance with department policy. Private LPR customers may share data with government entities; however, this is one-way sharing only. Private LPR customers will never have access to government customer data. All data collected by the cameras belongs to the city of Lakeville.

All system use will be governed by a department LPR policy compliant with Minnesota Statutes §13.824, addressing data classification, access control, auditing, and accountability.

Transparency

A major vendor in the LPR space, Flock Safety, utilizes the Flock Transparency Dashboard which provides residents and city leaders with clear, real-time insight into how law enforcement agencies use Flock safety technology. The agency-specific dashboard displays aggregated, non-identifying data such as camera locations, detections, officer searches, and case usage, giving the community a transparent view of how often and why the system is accessed. By making this information publicly available, the dashboard reinforces accountability, builds trust, and demonstrates that Flock technology is used

responsibly, ethically, and solely for legitimate public-safety purposes.
Example: (*https://transparency.flocksafety.com/edina-mn-pd*)

Next Steps

If supported by Council, the following steps will occur:

1. Conduct final site mapping and obtain infrastructure approvals.
2. Enter into a purchase/service agreement with Flock Safety (our preferred vendor).
3. Coordinate installation, targeting prior to year end 2025.
4. Provide public communication and transparency information through City channels.

Recommendation

It is recommended the City Council authorize the Lakeville Police Department to proceed with planning and phased implementation of the 20-camera Flock LPR network to strengthen citywide safety, investigative capacity, and regional collaboration.

Automated License Plate Readers (ALPR)

425.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidance for the capture, storage and use of digital data obtained through the use of Automated License Plate Reader (ALPR) technology (Minn. Stat. § 626.8472).

425.2 POLICY

The policy of the Woodbury Police Department is to utilize ALPR technology to capture and store digital license plate data and images while recognizing the established privacy rights of the public.

All data and images gathered by the ALPR are for the official use of this department. Because such data may contain confidential information, it is not open to public review.

425.3 ADMINISTRATION

The ALPR technology, also known as License Plate Recognition (LPR), allows for the automated detection of license plates. It is used by the Woodbury Police Department to convert data associated with vehicle license plates for official law enforcement purposes, including identifying stolen or wanted vehicles, stolen license plates and missing persons. It may also be used to gather information related to active warrants, homeland security, electronic surveillance, suspect interdiction and stolen property recovery.

All installation and maintenance of ALPR equipment, as well as ALPR data retention and access, shall be managed by the Administrative Services Commander. The Administrative Services Commander will assign members under his/her command to administer the day-to-day operation of the ALPR equipment and data.

425.4 OPERATIONS

Use of an ALPR is restricted to the purposes outlined below. Department members shall not use, or allow others to use, the equipment or database records for any unauthorized purpose.

(a) An ALPR shall only be used for official law enforcement business.

(b) An ALPR may be used in conjunction with any routine patrol operation or criminal investigation. Reasonable suspicion or probable cause is not necessary before using an ALPR.

(c) While an ALPR may be used to canvass license plates around any crime scene, particular consideration should be given to using ALPR-equipped cars to canvass areas around homicides, shootings and other major incidents.

(d) No member of this department shall operate ALPR equipment or access ALPR data without first completing department-approved training.

(e) No ALPR operator may access confidential department, state or federal data unless authorized to do so.

(f) If practicable, the officer should verify an ALPR response through the Minnesota Justice Information Services (MNJIS) and National Law Enforcement Telecommunications System (NLETS) databases before taking enforcement action that is based solely upon an ALPR alert.

425.4.1 RESTRICTIONS, NOTIFICATIONS AND AUDITS

The Woodbury Police Department will observe the following guidelines regarding ALPR use (Minn. Stat. § 13.824):

(a) Data collected by an ALPR will be limited to:

1. License plate numbers.
2. Date, time and location of data captured.
3. Pictures of license plates, vehicles and areas surrounding the vehicle captured.

(b) ALPR data may only be matched with the Minnesota license plate data file, unless additional sources are needed for an active criminal investigation.

(c) ALPRs shall not be used to monitor or track an individual unless done so under a search warrant or because of exigent circumstances.

(d) The Bureau of Criminal Apprehension shall be notified within 10 days of any installation or use and of any fixed location of an ALPR.

425.5 DATA COLLECTION AND RETENTION

The Administrative Services Commander is responsible for ensuring systems and processes are in place for the proper collection and retention of ALPR data. Data will be transferred from vehicles to the designated storage in accordance with department procedures.

ALPR data received from another agency shall be maintained securely and released in the same manner as ALPR data collected by this department (Minn. Stat. § 13.824).

ALPR data not related to an active criminal investigation must be destroyed no later than 60 days from the date of collection with the following exceptions (Minn. Stat. § 13.824):

(a) Exculpatory evidence - Data must be retained until a criminal matter is resolved if a written request is made from a person who is the subject of a criminal investigation asserting that ALPR data may be used as exculpatory evidence.

(b) Address Confidentiality Program - Data related to a participant of the Address Confidentiality Program must be destroyed upon the written request of the participant. ALPR data already collected at the time of the request shall be destroyed and future related ALPR data must be destroyed at the time of collection. Destruction can be deferred if it relates to an active criminal investigation.

All other ALPR data should be retained in accordance with the established records retention schedule.

425.5.1 LOG OF USE

A public log of ALPR use will be maintained that includes (Minn. Stat. § 13.824):

(a) Specific times of day that the ALPR collected data.

(b) The aggregate number of vehicles or license plates on which data are collected for each period of active use and a list of all state and federal public databases with which the data were compared.

(c) For each period of active use, the number of vehicles or license plates related to:

1. A vehicle or license plate that has been stolen.

2. A warrant for the arrest of the owner of the vehicle.

3. An owner with a suspended or revoked driver's license or similar category.

4. Active investigative data.

(d) For an ALPR at a stationary or fixed location, the location at which the ALPR actively collected data and is installed and used.

A publicly accessible list of the current and previous locations, including dates at those locations, of any fixed ALPR or other surveillance devices with ALPR capability shall be maintained. The list may be kept from the public if the data is security information as provided in Minn. Stat. § 13.37, Subd. 2.

425.6 ACCOUNTABILITY

All saved data will be closely safeguarded and protected by both procedural and technological means. The Woodbury Police Department will observe the following safeguards regarding access to and use of stored data (Minn. Stat. § 13.824; Minn. Stat. § 13.05):

(a) All ALPR data downloaded to the mobile workstation and in storage shall be accessible only through a login/password-protected system capable of documenting all access of information by name, date and time.

(b) Members approved to access ALPR data under these guidelines are permitted to access the data for legitimate law enforcement purposes only, such as when the data relate to a specific criminal investigation or department-related civil or administrative action.

(c) Biennial audits and reports shall be completed pursuant to Minn. Stat. § 13.824, Subd. 6.

(d) Breaches of personal data are addressed as set forth in the Protected Information Policy (Minn. Stat. § 13.055).

(e) All queries and responses, and all actions, in which data are entered, updated, accessed, shared or disseminated, must be recorded in a data audit trail.

(f) Any member who violates Minn. Stat. § 13.09 through the unauthorized acquisition or use of ALPR data will face discipline and possible criminal prosecution (Minn. Stat. § 626.8472).

425.7 RELEASING ALPR DATA

The ALPR data may be shared only with other law enforcement or prosecutorial agencies for official law enforcement purposes or as otherwise permitted by law, using the following procedures (Minn. Stat. § 13.824):

(a) The agency makes a written request for the ALPR data that includes:

1. The name of the agency.
2. The name of the person requesting.
3. The intended purpose of obtaining the information.
4. A record of the factual basis for the access and any associated case number, complaint or incident that is the basis for the access.
5. A statement that the request is authorized by the head of the requesting law enforcement agency or his/her designee.

(b) The request is reviewed by the Administrative Services Commander or the authorized designee and approved before the request is fulfilled.

1. A release must be based on a reasonable suspicion that the data is pertinent to an active criminal investigation.

(c) The approved request is retained on file.

Requests for ALPR data by non-law enforcement or non-prosecutorial agencies will be processed as provided in the Records Maintenance and Release Policy.

Date: 11/24/2025

2026 Special Revenue Fund Budgets

Proposed Action:

Review the 2026 budgets for the Special Revenue funds, discuss funding sources and expenditures of these funds. Provide staff with direction if appropriate.

Overview

The Finance Director and department managers have prepared the budgets for review. Special Revenue funds are used to account for revenue derived from specific sources that are legally restricted to expenditures for specific purposes. Attachments l-5 include the following Special Revenue fund budgets:

	Communications Fund #2000	L.A.H.A. Fund #2230	DSSD Fund #2280	FiRST Ctr Fund #2292	Opioid Fund #2295
Projected 1.1.26 FB	$ 956,559	$ 635,458	$ 8,447	$ -	$ 151,973
Tax Levy	$ 300,000	$ -	$ -	$ -	$ -
Operating Revenues	$ 463,300	$ 650,000	$ 50	$ 272,916	$ 71,185
Transfers In	$ -	$ -	$ -	$ 71,000	$ -
Operating Expenses	$ (758,569)	$ (250,000)	$ (6,080)	$ (343,916)	$ -
Trsfr Out/Capital Outlay	$ (45,000)	$ (700,000)	$ -	$ -	$ (100,000)
Change in Net Postion	$ (40,269)	$ (300,000)	$ (6,030)	$ -	$ (28,815)
Projected 12.31.26 FB	$ 916,290	$ 335,458	$ 2,417	$ -	$ 123,158

l) Communications Fund #2000 – This fund accounts for franchise fees from cable TV provider operations. Expenditures and other financing uses are used to finance the City's cable TV channels and public communications, including long-term replacement of equipment. The expenditures include 4 full-time employees and one summer intern. Revenues continue to be lower than historical and have trended down from previous years as there are other options for residents to utilize for their entertainment. The preliminary levy set in September includes the amount of $300,000 for the Communications Fund for the first time. The $45K in capital outlay in 2026 is a control room switcher (Broadcast Pix).

2) Local Affordable Housing Aid Fund #2230 – In 2023, the Minnesota Legislature authorized aid payments to counties, cities and Tribal Nations and in 2024 updated the aid programs. The goal is to support affordable and supportive housing projects. Local Affordable Housing Aid (LAHA) provides funding to seven metropolitan counties and 63 cities through a new dedicated sales tax in the seven-county metropolitan area. This fund

accounts for Lakeville's LAHA revenues and the related expenditures restricted to local affordable housing activities. Lakeville's 2024 aid was transferred to the Dakota County CDA for housing rehabilitation and radon mitigation. Economic Development staff will bring this budget discussion to Council at the December 8 work session.

3) Downtown Special Service District Fund #2280 – The Downtown Special Service District was created in 1988 under Minnesota Statute 428A. A service charge, collected with property taxes, is levied on commercial properties in the Downtown Business District to fund approved programs and activities. For taxes payable in 2026, the DSSD board chose not to levy a service charge. As the fund nears depletion, the board will need to decide how it wants to proceed in future years.

4) FiRST Center Training Facility Fund #2292 – This fund will support FiRST Center's operations. The facility is expected to open June 1, 2026, and the attached budget reflects that date. Revenues include capital memberships from Farmington, Apple Valley, Elko-New Market, and Northfield. Expenditures include a full-time manager beginning January 1 and three part-time positions starting when the facility opens in June 2026.

5) Opioid Settlement Fund #2295 - This fund tracks opioid settlement revenues and the restricted expenditures for opioid remediation. The city began receiving payments in 2022, and payouts will continue through 2038. Spending is limited to approved remediation strategies, which is why the Special Revenue Fund is required. When specific programs are selected, the budget resolution must identify each strategy, the amount dedicated, and the time period covered. The city is not required to spend funds in the year received, so the balance can carry forward. With council approval, funds may be transferred to the County for any authorized use. Annual reporting is required, and up to 10% of the allocation may be used for administration. The current strategy approved by Council supports first responder needs, specifically funding a drug task force agent.

Financial Impact: $ **Budgeted:** Yes **Source:** Various
Envision Lakeville Community Values: Good Value for Public Service
Report Completed by: Julie Stahl, Finance Director

Communications Fund- 10 year cash flow projections: (assumes 5% decrease in cable tv revenues each year after 2026)
****Includes tax levy beginning in 2026**

	2023 Actual	2024 Actual	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate
Revenues							
Franchise Fees	601,288	531,252	460,236	396,000	376,200	357,390	339,521
State aid PERA	915	742	-	-	-	-	-
PEG fees	44,382	38,198	33,000	27,000	25,650	24,368	23,149
Tax Levy				300,000	350,000	400,000	450,000
Interest on investments	63,401	58,986	51,300	38,300	27,500	26,700	26,800
Other	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Donations	-	-	-	-	-	-	-
Total revenues	711,986	631,178	546,536	763,300	781,350	810,458	841,470
Estimated Revenues Decreases (% per year, assumes cable will continue to decline in popularity)	-7%	-12%	-13%	-14%	-5%	-5%	-5%
Expenditures							
Current							
Personnel costs	574,450	560,244	596,402	558,503	575,258	592,516	610,291
Commodities	5,355	7,861	12,010	13,625	14,034	14,455	14,888
Other Charges and Services	94,769	151,840	193,183	182,533	168,009	157,049	161,761
Capital outlay							
Cable TV	-	-	-	-	-	-	-
Public Comm	-	-	-	-	-	-	-
PEG	54,357	6,155	66,992	45,000	45,000	40,000	52,000
Total expenditures	728,930	726,100	868,587	799,661	802,301	804,020	838,940
Excess (deficiency) of revenues over expenditures	(16,944)	(94,922)	(322,051)	(36,361)	(20,951)	6,438	2,529
Estimated Cost Increases (% per year))			3%	3%	3%	3%	3%
Other financing (uses)/sources							
Transfer to							
General Fund	-	-	-	-	-	-	-
Capital Projects - Technology Fund	(6,400)	(7,300)	(4,155)	(3,908)	(4,025)	(4,146)	(4,270)
Total other financing uses	(6,400)	(7,300)	(4,155)	(3,908)	(4,025)	(4,146)	(4,270)
Net change in fund balance	(23,344)	(102,222)	(326,206)	(40,269)	(24,976)	2,292	(1,741)
Fund balance, January 1	1,408,332	1,384,987	1,282,765	956,559	916,290	891,314	893,606
Fund balance, December 31	$ 1,384,987	$ 1,282,765	$ 956,559	$ 916,290	$ 891,314	$ 893,606	$ 891,865

Local Affordable Housing Aid Fund
Fund #2230

	2024 Actual	2025 Estimate	2026 Budget	2027 Estimate	2028 Estimate	2029 Estimate
Revenues						
Local Housing Aid (Sales Tax)	229,465	635,458	650,000	700,000	700,000	700,000
	-	-	-	-	-	-
Total revenues	229,465	635,458	650,000	700,000	700,000	700,000
Expenditures						
Other Contractual (to DC CDA)	-	229,465	250,000	257,500	265,225	273,182
Capital outlay	-	-	-	-	-	-
Total expenditures	-	229,465	250,000	257,500	265,225	273,182
Excess (deficiency) of revenues over ex	229,465	405,993	400,000	442,500	434,775	426,818
Other financing (uses)/sources						
Transfer from						
Transfers from General Fund	-	-	-	-	-	-
Transfer to Capital Funds						
GAP Financing	-	-	(700,000)			
Interest on investments						
Total other financing uses	-	-	(700,000)	-	-	-
Net change in fund balance	229,465	405,993	(300,000)	442,500	434,775	426,818
Fund balance, January 1	-	229,465	635,458	335,458	777,958	1,212,733
Fund balance, December 31	$ 229,465	$ 635,458	$ 335,458	$ 777,958	$ 1,212,733	$ 1,639,551

Exhibit C

Special Service District Budget

City fiscal year	17	18	19	20	21	22	23	24	25	25	26
	Actual										
	Fiscal Year Ended June, 2018	Fiscal Year Ended June, 2019	Fiscal Year Ended June, 2020	Fiscal Year Ended June, 2021	Fiscal Year Ended June, 2022	Fiscal Year Ended June, 2023	Fiscal Year Ended June, 2024	Fiscal Year Ended June, 2025	**Adopted Budget FY Ended June, 2026**	**Estimated FY Ended June, 2026**	**Proposed Budget FY Ended June, 2027**
Revenues - service charges											
Current Levy collected	27,500	13,637	-	-	-	-	-	-	-	-	-
Delinquent levy collected	-	24	-	123	-	-			-	-	-
Interest income						(501)	757	602	500	250	50
Other revenues	-	-	-	-	-	-	-	350	-	-	-
Net service charges	27,500	13,661	-	123	-	(501)	757	952	500	250	50
Expenditures											
Professional fees	58	50	181	160	169	114	-		-	-	-
Website	255	189	-	**194**	-	251	211		300	-	300
Flower Pots	2,700	2,750	**-**	**2,700**	2,700	2,700	2,700	-	3,300	3,300	3,300
Brochures/marketing	280	-	-	-	-	-			700	-	700
Lakeville Chamber Dues	-	165	**-**	**330**	165	165	165	175	165	180	200
Sponsorships:									-	-	-
Pan-O-Prog	-	-	-	-	-		2,500		-	-	-
Advertising:									-	-	-
Ensemble Creative (Email blasts/nev	597	620	-	-	222	92	30		30		
Cornerstone (Maps, Event Poster/ca	2	-	-	-	-	-		73	60	-	80
Events:									-	-	-
Holiday on Main	5,009	2,868	1,729	-	535	2,676	1,304	-	1,500	1,500	1,500
Total expenditures	16,915	9,088	1,911	**3,384**	**3,791**	**5,998**	**6,910**	**248**	6,055	**4,980**	6,080
Net change	10,585	4,573	(1,911)	(3,261)	(3,791)	(6,499)	(6,153)	704	(5,555)	(4,730)	(6,030)
Balance - Beginning	18,930	29,515	34,088	32,177	28,916	25,125	18,626	12,473	12,703	13,177	8,447
Balance - Ending	29,515	34,088	32,177	28,916	25,125	18,626	12,473	13,177	7,148	8,447	2,417

FiRST Center Fund- 10 yr cash flow projections
2026-2035

		2026 (6 mo)	2027 Estimate	2028 Estimate	2029 Estimate
Revenues	**GL #**	*60% capacity*	*65% cap*	*75% cap*	*75% cap*
Capital Memberships	4240	113,149	127,427	127,428	127,429
Preferred Memberships	4241	-	-	-	-
Host-City Membership	4245	19,000	60,000	60,000	60,000
Shooting Range (50yd)	4420	42,263	78,750	92,718	94,572
Public Range (25yd)	4421	13,781	25,625	30,090	30,692
Classroom Rentals	4422	20,813	38,720	45,533	46,443
Mats Room	4423	12,210	22,750	26,785	27,321
Virtual Reality	4424	33,180	61,560	72,338	73,785
RBT -1st/2nd/3rd	4425-4427	18,520	34,185	40,275	41,080
		-	-	-	-
Total revenues		272,916	449,017	495,167	501,323
Expenditures					
Salaries		188,074	264,159	280,009	296,810
Benefits		64,092	80,950	84,188	87,556
Commodities		6,500	13,000	13,390	13,792
Other Charges and Services		85,250	170,500	175,615	180,883
Capital outlay		-	-	-	-
Total expenditures		343,916	528,609	553,202	579,041
Excess (deficiency) of revenues over expenditur		(71,000)	(79,592)	(58,035)	(77,718)
Other financing (uses)/sources					
Transfer from					
Transfers from General Fund	5410	71,000	79,592	58,035	77,718
Transfers from Liquor Fund		-	-	-	-
Capital Projects - Equipment Fund					
Interest on investments	4910				
Donations	5020	-	-	-	-
Total other financing uses		71,000	79,592	58,035	77,718
Net change in fund balance		-	(0)	0	(0)
Fund balance, January 1		-	-	(0)	(0)
Fund balance, December 31		$ -	$ (0)	$ (0)	$ (0)

SPECIAL REVENUE FUND - 02295 OPIOID SETTLEMENT FUND

PROGRAM / OBJECT	2022 ACTUAL	2023 ACTUAL	2024 ADOPTED BUDGET	2024 ACTUAL	2025 PRELIM BUDGET	2026 Projected Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget
Revenues									
Interest on Investments	(748)	5,732	3,283	1,442	3,027	4,559	3,695	3,704	3,855
Other	122,546	30,416	48,956	185,148	62,539	66,626	66,626	71,315	71,743
Total Revenues	121,798	36,148	52,239	186,590	65,566	71,185	70,321	75,019	75,598
Expenditures									
Other Charges and Services		15,392		-					
Capital Outlay/Equip	-	2,535	-	18,704	-	-	-	-	-
Total Expenditures	-	17,927	-	18,704	-	-	-	-	-
Transfer to General Fund	-	-	(196,998)	(196,998)	(24,500)	(100,000)	(70,000)	(70,000)	(70,000)
Transfer to Special Revenue Funds	-	-	-	-	-	-	-	-	-
Total Transfers (net)	-	-	(196,998)	(196,998)	(24,500)	(100,000)	(70,000)	(70,000)	(70,000)
Net Increase/(Decrease)	121,798	18,221	(144,759)	(29,112)	41,066	(28,815)	321	5,019	5,598
Fund Balance, January 1	-	121,798	140,019	140,019	110,907	151,973	123,158	123,479	128,498
Fund Balance, December 31	121,798	140,019	(4,740)	110,907	151,973	123,158	123,479	128,498	134,096

Date: 11/24/2025

2025 Yearend Preview & Final 2026 Budget/Levy Discussion

Proposed Action:

Staff is seeking direction regarding the final 2026 property tax levy and budgets to prepare the resolutions for the December 1, 2025, council meeting.

Overview

The purpose of this report is to provide the City Council with information regarding financial projections for 2025, the 2026 proposed General Fund budget, the proposed property tax levy to support general services, and long-term financial plan updates.

Challenges to keep in mind for 2026:

- Personnel
    - New positions needed due to community growth as well as phased-in costs associated with mid-year 2026 hires
- Equipment Fund
    - Plan includes issuing debt (approximately $1.5 million) for equipment replacement in 2030
    - Significant tax levy increase needed in 2027 to achieve pay-as-you-go strategy
- Technology Fund
    - Established in 2019 with initial transfer of General Fund reserve funds
    - Reserve funds being used to fund 2022, 2023 and 2024
    - Funded by property taxes beginning in 2025
- Pavement Management Fund
    - Slightly increased levy amount in 2026 needed to fund pavement maintenance needs
- Park & Trail Improvement Fund (merged funds in 2025)
    - $550K Increase in levy needed to fund trail & park repairs
- Building Fund
    - Last levy was $400K in 2018. Levy in 2026 of $1M needed to fund building improvements/maintenance.
- Debt Service Funds
    - Significant decrease in levy due to Park Bond Referendum amounts leveling out and other bonds maturing
- Estimated tax levy increase in 2027 is about 14%. Three percent of this would be $1.5M levy for the Klamath Trail retaining wall reconstruction. Five percent of this would be for the Building and Equipment fund levies.

GENERAL FUND

2025 Year End Estimates

Staff have prepared year end revenue and expenditure estimates for the General Fund. The following chart summarizes the impact of those estimates:

	2025 Adopted Budget	2025 Year End Estimate
Net Change in Fund Balance - (use of reserves)	$683,093	$1,228,467
Ratio: Fund Balance to Next Year (2026) Expenditures	49.6%	50.8%

The 2025 year-end estimate includes assumptions that staff believe are reasonable. Staff recognize that actual activity will differ from the assumptions by varying degrees. A few areas that may have greater risk or opportunity from the assumptions are shown below:

	Assumption	Risk	Opportunity
Building Permit Revenue	300 SF Units	Currently at 196 SF *(11/18/25)*	Greater than 300 SF Units
Building Permit Revenue	Townhomes – 150 units	Currently at 276 *(11/18/25)*	Greater than 300
Investment Income (Net of Fair Value Adjustment)	$920,000	Rates Increase; Negative Fair Value Adj Increases	Rates Decrease; Negative Fair Value Adj Decreases
Snowplowing	Normal Levels for Nov & Dec	Increased number of snow events	Less than normal levels for Nov & Dec

The city is required to report the value of its investment portfolio at the market value. The General Fund earnings have been included in the 2025 estimates. It is important to note that we typically hold the investments until maturity and therefore, don't realize any loss. The adjustment is recognized on the income statement and does impact the fund balance.

The 2025 year-end estimate reflects increases in revenues from budgeted of:

- $199K Fire/Police state aid
- $377K SAFER grant
- $209K Licenses & Permits
- $821K Charges for Services
- Budget amendments for 2025 variances will be presented in December for council approval.

	2025 Adopted Budget	2025 YE Estimates	Variance Pos/(Neg)
Revenues	$ 44,006,517	$ 46,437,542	$ 2,431,025
Expenditures	(43,493,424)	(43,413,575)	79,849
Transfers In	170,000	54,500	(115,500)
Transfers Out	-	(1,850,000)	(1,850,000)
NET	**$ 683,093**	**$ 1,228,467**	**$ 545,374**

The $1.85M in unspent 2023 Public Safety Aid was transferred from Designated Fund Balance to the Building Fund to help fund the new fire station land purchase. After 2025 budget amendments are made, expenditures are expected to be within budget and the $536K variance above will be used to reduce the amount of fund balance reserves used. The departments appearing to be over budget for Projected 2025 either have budget amendments to occur or are slated to used fund balance reserves. Although some departments will recognize savings in their 2025 budgets, there were staff retirements in other departments which offset that savings. Also, within this variance is the increase to the Fire Relief Association for their share of the Fire Relief State Aid ($117K higher than estimated).

2026 Revenue Changes in the General Fund

The following changes have been incorporated into the current budget presented to you today:

Revenues		Totals
Preliminary (includes Transfers In) – 09/02/2025		47,291,350
Property Taxes		(300,000)
Intergovernmental:		319,147
City's share of Fire Relief State Aid (9%)	74,250	
Police State Aid	102,302	
Fire Relief State Aid	142,595	
Fiscal Agent Fees (D911/Arenas)		57,467
Licenses & Permits		30,000
Investment Income		20,000
Miscellaneous		81,470
Total		**$ 47,499,434**

2026 Expenditure Changes in the General Fund

The following changes have been incorporated into the current budget presented to you today:

Expenditures	Totals
Preliminary (Includes Transfers Out) – 09/02/2025	$46,398,100
Other Contractual - Finance/CommDev/CityVeh	(22,553)
Fire – State aid (Fire Relief)	142,595
Info Tech - Software subscriptions	2,868
IT Allocation - Eng/City Veh	6,752
Total	**$46,527,762**

Fund Balance
The Fund Balance Policy states that the City will endeavor to maintain an Unrestricted Fund Balance in the General Fund of an amount not less than 40% and not greater than 50% of the next year's budgeted expenditures of the General Fund.

The following table shows the estimated impact on the General Fund reserve balance at year ending 12/31/2026:

Change ($)	FB/CY Exp	FB/Est 2027 Exp*
$956,672	52%	50%

**2027 expenses include 4% growth*

PROPERTY TAX LEVY

Impact of Growth, Inflation and Other Factors
The following chart provides a guide for establishing the 2026 tax levy based on factors that impact the Lakeville community:

Growth (New Construction)	2.0%
CPI-U (MSP) *	2.7%
Debt Service	-6.5%
Debt Service – Park Ref	0.7%
Total	-1.1%

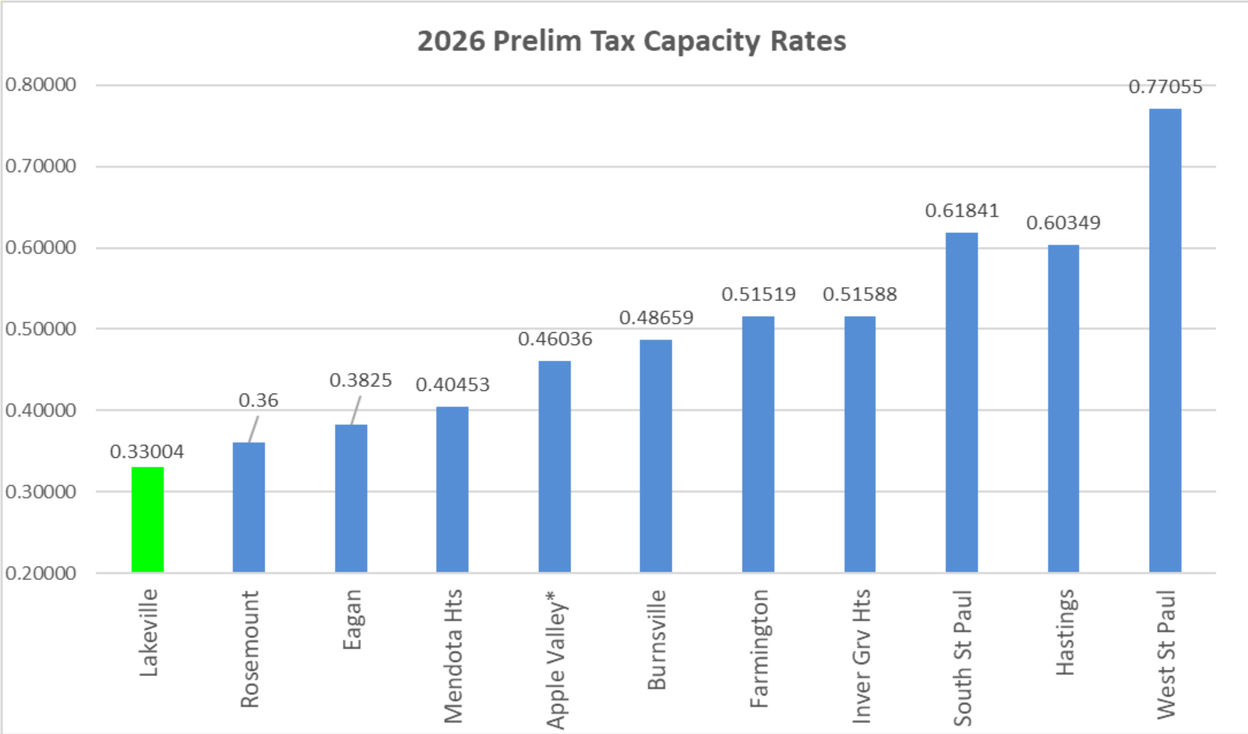
** 2024 Annual to July 2025*

Proposed Property Tax Levy
The proposed 2026 property tax levy is comprised of the following components:

The preliminary levy adopted in September was $52,286,475 - an increase of $3,436,425 (7%) over 2025. Since then, staff reduced the levy by $300,000, lowering the year-over-year increase to 6.42%. Per Council direction, staff is building General Fund reserves to cover six firefighter positions (about $600K annually) after the SAFER grant ends in 2028. The $1.2M restricted fund balance covers the first two years; a similar reserve for 2027 is recommended.

The proposed property tax levy reflects a $1.2M increase (3.7%) for the General Fund to provide public services as the City's population continues to grow. It also provides increases of $1 million for the Building Fund, $350,000 for the Pavement Management Fund, $400,000 for the Equipment Fund, $550,000 for the Park & Trail Improvement Fund, and establishes a first-time levy of $300,000 for the Communications Fund. These increases are partially offset by a $627,261 reduction in the debt levy.

The City tax capacity rate is estimated to increase slightly from 32.731% (2025) to 33.004% in 2026. Lakeville continues to maintain the lowest tax capacity rate among the Dakota County cities:



Market Valuation
Preliminary taxable market values have increased $693 million or 5.4% from 2025 to 2026, of which approximately $257 million or 2% is from new construction. Based on the 2025 tax rate, new construction will generate about $841,700 in property taxes.

Impact on Median Valued Home and Commercial Property
The proposed 2026 City tax levy is estimated to increase annual City taxes on the median-value home ($467,150) by approximately $75 - $12 from the levy increase and $63 from the County-assessed market value increase.

Existing commercial properties in Lakeville rose in value by about 14%. For a $1 million commercial property with a 14% value increase, the proposed 2026 City levy translates to an estimated $977 annual tax increase—$924 from the higher valuation and $52 from the levy change. Actual impacts will vary by property.

Summary of Changes
Slight change in the median value home comes from the County's updated valuation data received in October.

	Preliminary 9/3/2025	**Proposed 11/24/2025**
Total Levy	$52,286,475	$51,986,475
$ Increase in Levy (from 2025)	$3,436,424	$3,136,424
% Increase in Levy (from 2025)	7.03%	6.42%
Estimated Tax Rate	33.149%	33.004%
Lakeville Median Value Home	$468,000	$467,150

Increase in City portion of property taxes:		
Median Valued Home	$81.58/yr $6.80/mo	$74.87/yr $6.24/mo
Commercial Property ($1 million value)	$1,009/yr	$977/yr

FINANCIAL SUSTAINABILITY AND RESILIENCY

In January 2020, the City Council approved the Financial Sustainability and Resiliency Policy. The key principles of the Policy included:

- Proactively plan for the service needs of the community, the maintenance of existing assets, and the protection of natural resources and environment.
- Implement funding at a level which includes the full cost of providing services to the community and maintenance, replacement and upgrade of existing assets (Pay-As-You-Go Strategy).
- Establish financial resiliency by establishing sufficient reserve and funding levels.

Staff request that the City Council consider the principles of this Policy when they finalize the 2026 budget and tax levy.

General Fund Reserve Balance

The current projected fund balance for 2025 yearend is within the policy range of 40-50% and is projected to stay within the range for 2026 yearend. There are multiple reasons for avoiding too much drawdown of reserve balances in future years:

- Economic uncertainties could result in higher property tax delinquencies. One percent of the General Fund property tax revenue is $345K.
- The 2026-2030 CIP projects significant property tax increases in 2027 to maintain infrastructure and replace vehicles/equipment. General Fund reserves could be used to reduce the following increased levy needs:
    - Building fund - $1,000,000
    - Communication fund - $50,000
    - Equipment fund - $1,800,000
    - Technology Fund - $100,000
    - Pavement Management Fund - $400,000
    - Park & Trail Improvement - $1,400,000
- With the significant growth the community is and has been experiencing, resources are needed to maintain the current level of services.
- Maintain the City's Aaa bond rating.

Having a higher fund balance provides some flexibility in achieving the target taxation levels and the resilience to respond to economic uncertainties.

Long-Term Financial Projections

Attached to this memo is a table which shows the projected property tax levy, tax capacity and tax rate based on the 2026 proposed budgets and the adopted 2026-2030 Capital Improvement Plan

(CIP). It reflects debt levies associated with existing debt as well as debt that we anticipate issuing for projects in the CIP.

The purpose for providing this table is to show the council what the impact is estimated to be for property taxation based on planned projects and community growth, achieving a pay-as-you-go strategy for equipment replacement, etc. and complying with city-approved financial metrics/fund balance policy.

Revenue assumptions include conservative adjustments (1%-2%) in various categories and increases in property tax to maintain minimum fund balance levels. Expenditure assumptions include inflationary adjustments for personnel, commodities and other charges and services. They also include the addition of staffing and corresponding operating costs due to the continued growth of the community.

There is significant pressure on the property tax in 2027. In addition to funding for the General Fund, significant increases are needed for debt service payments and capital project funds (i.e. Equipment replacement, pavement management, trail improvement, etc.)

The tax capacity rate is projected to stay low (.30 to .37) with the increases in property tax levies and continued growth in the tax base.

BUDGET SCHEDULE

Nov 24	Workshop – Final Budget Review
Dec 1	Meeting – Public Budget Meeting (Truth in Taxation) / Adopt 2026 Budget and 2026 Tax Levy; Adopt 2026 Fee Schedule; Authorize Purchase and Disposal of Vehicles and Equipment;

Attachments: 1) General Fund Budget Summary
2) Sources & Uses Details (Capital Funds with levy funding)
3) Property Tax Levy, Tax Capacity, and Tax Rate projections

From: Justin Miller, City Administrator
Julie Stahl, Finance Director

CITY OF LAKEVILLE, MINNESOTA
GENERAL FUND PROPOSED 2026 BUDGET
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ending December 31, 2026

	2023 ACTUAL	2024 ACTUAL	2025 ORIGINAL BUDGET	2025 AMENDED BUDGET	2025 PROJECTED	2026 PRELIM	2026 FINAL	% OF TOTAL	Budget % Change 25 vs 26
REVENUES:									
GENERAL PROPERTY TAXES	26,701,305	29,513,138	33,300,000	33,300,000	33,528,535	34,785,685	34,485,685	73.8%	3.6%
LICENSES & PERMITS	3,489,815	3,052,954	3,259,689	3,259,689	3,468,385	3,663,025	3,693,025	7.8%	13.3%
INTERGOVERNMENTAL	3,739,685	2,172,655	3,478,938	3,674,484	4,112,730	3,936,035	4,255,182	8.3%	22.3%
CHARGES FOR SERVICES	3,417,380	3,869,600	3,101,894	3,101,894	3,922,872	3,508,675	3,566,142	7.4%	15.0%
COURT FINES	238,097	222,790	240,000	240,000	200,000	220,000	220,000	0.5%	-8.3%
SPECIAL ASSESSMENTS	5,189	9,321	0	0	77,750	0	0	0.0%	#DIV/0!
INVESTMENT INCOME	730,148	868,801	500,000	500,000	920,000	900,000	920,000	1.9%	84.0%
MISCELLANEOUS	217,760	166,833	125,996	125,996	207,270	147,930	229,400	0.3%	82.1%
TOTAL REVENUES	38,539,379	39,876,092	44,006,517	44,202,063	46,437,542	47,161,350	47,369,434	100%	7.6%
EXPENDITURES:									
GENERAL GOVERNMENT									
CONTINGENCY - STAFFING	0	0	0	0	0	359,489	0	0.8%	#DIV/0!
MAYOR AND COUNCIL	125,368	101,359	126,321	126,321	130,383	133,185	133,185	0.3%	5.4%
COMMITTEES & COMMISSIONS	132,695	149,616	143,422	141,922	103,188	115,962	115,962	0.2%	-19.1%
CITY ADMINISTRATION	592,837	572,750	587,089	587,089	616,731	642,763	642,763	1.4%	9.5%
CITY CLERK/ELECTIONS	197,359	414,692	225,579	225,579	228,055	429,056	438,538	0.9%	94.4%
FINANCE	1,161,686	1,241,097	1,235,639	1,235,639	1,172,557	1,230,668	1,237,216	2.7%	0.1%
INFORMATION TECHNOLOGY	721,998	782,954	989,146	989,146	997,185	1,053,036	1,175,197	2.3%	18.8%
HUMAN RESOURCES	664,246	763,151	688,489	688,489	654,533	750,184	753,052	1.6%	9.4%
INSURANCE	250,000	250,000	250,000	250,000	250,000	250,000	250,000	0.5%	0.0%
LEGAL COUNSEL	74,170	99,827	87,000	88,500	127,292	92,000	92,000	0.2%	5.7%
COMMUNITY DEV/PLANNING	1,176,971	1,073,089	1,089,649	1,089,649	1,088,731	1,251,483	1,230,982	2.7%	13.0%
INSPECTIONS	1,904,395	1,852,606	1,918,122	1,918,122	1,817,868	2,010,273	2,010,273	4.3%	4.8%
GENERAL GOV'T FACILITIES	575,850	598,961	669,991	669,991	729,154	703,821	828,574	1.5%	23.7%
PUBLIC SAFETY									
POLICE	14,540,152	15,913,744	17,227,952	17,112,452	16,624,206	17,661,431	17,661,431	38.1%	2.5%
FIRE	2,892,795	3,653,494	5,588,299	5,588,299	6,186,109	6,294,251	6,436,846	13.6%	15.2%
PUBLIC WORKS									
ENGINEERING/GIS	784,375	816,263	946,722	946,722	946,493	1,074,607	1,075,747	2.3%	13.6%
CONSTRUCTION SERVICES	587,439	409,088	701,328	701,328	626,948	739,472	739,472	1.6%	5.4%
FORESTRY	526,497	599,013	680,154	680,154	795,661	789,468	789,468	1.7%	16.1%
STREETS	4,024,184	3,789,430	4,409,718	4,409,718	4,348,122	4,585,019	4,590,867	9.9%	4.1%
PARKS & RECREATION									
PARKS	3,386,965	3,726,352	3,768,652	3,768,652	3,713,185	3,877,246	3,971,503	8.4%	5.4%
RECREATION	1,029,097	1,102,698	1,126,418	1,126,418	1,202,617	1,255,000	1,255,000	2.7%	11.4%
ARTS CENTER	1,022,665	1,228,428	1,033,734	1,033,734	1,054,557	1,099,686	1,099,686	2.4%	6.4%
TOTAL EXPENDITURES	**36,371,744**	**39,138,612**	**43,493,424**	**43,377,924**	**43,413,575**	**46,398,100**	**46,527,762**	100%	7.0%
REVS OVER/(UNDER) EXPENDS	**2,167,635**	**737,480**	**513,093**	**824,139**	**3,023,967**	**763,250**	**841,672**		
OTHER FINANCING SOURCES (USES)									
TRANSFERS IN	472,169	226,998	170,000	54,500	54,500	130,000	130,000		
TRANSFERS OUT	(2,353,880)	(215,000)	0	(1,850,000)	(1,850,000)	0	0		
TOTAL OTHER FINANCING	**(1,881,711)**	**11,998**	**170,000**	**(1,795,500)**	**(1,795,500)**	**130,000**	**130,000**		
NET CHANGE IN FUND BALANCE	285,924	749,478	683,093	(971,361)	1,228,467	893,250	971,672		
FUND BALANCE, JAN 1	22,007,407	22,372,985	23,186,599	23,186,599	23,186,599	24,415,066	24,415,066		
PRIOR PERIOD ADJUSTMENT	79,654	64,136	0	0	0		0		
FUND BALANCE, DEC 31	**22,372,985**	**23,186,599**	**23,869,692**	**22,215,238**	**24,415,066**	**25,308,316**	**25,386,738**		
Restricted Fund Balance	(2,129,568)	(2,202,765)	(775,000)		(775,000)	(1,200,000)	(1,200,000)		
Unrestricted Fund Bal, Dec 31	20,243,417	20,983,834	23,094,692		23,640,066	24,108,316	24,186,738		
Fund Bal of CY Exp	*55.7%*	*53.6%*	*53.1%*		*54.5%*	*52.0%*	*52.0%*		
Fund Bal of NY Exp	*51.7%*	*48.3%*	*49.6%*		*50.8%*	*49.8%*	*50.0%*		

Sources & Uses Details (Capital Project Funds with primarily tax levy funding)

Lakeville, MN

Sources and Uses of Funds Details

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Building Fund											
Beginning Balance		**827,074**	**-175,536**	**1,878,716**	**1,056,485**	**-510,569**	**45,139**	**-468,312**	**-327,387**	**202,466**	**446,815**
Revenues and Other Fund Sources											
Revenue											
Antenna Rental		528,390	544,252	560,569	577,386	594,708	612,549	630,925	649,853	669,349	689,429
Interest Revenue		50,000	50,000	50,000	50,000	50,000	1,000	1,000	10,000	40,000	50,000
Tax Levy		1,000,000	2,000,000	2,000,000	2,000,000	200,000	200,000	100,000	0	0	0
	Total	1,578,390	2,594,252	2,610,569	2,627,386	844,708	813,549	731,925	659,853	709,349	739,429
Other Fund Sources											
Total Revenues and Other Fund Sources		1,578,390	2,594,252	2,610,569	2,627,386	844,708	813,549	731,925	659,853	709,349	739,429
Total Funds available		**2,405,464**	**2,418,716**	**4,489,285**	**3,683,871**	**334,139**	**858,688**	**263,613**	**332,466**	**911,815**	**1,186,244**
Expenditures and Uses											
Capital Projects & Equipment											
Facilities											
Arts Center-Maintenance/Improvements	B-05	185,000	545,000	0	150,000	125,000	0	0	0	0	0
City Hall Building Maintenance/Improvements	B-01	0	135,000	0	207,051	70,000	600,000	125,000	130,000	100,000	100,000
CMF Building Maintenance/Improvements	B-02	1,601,000	-800,000	300,000	3,147,704	0	40,000	21,000	0	200,000	200,000
Fine Arts Building-Maintenance/Improvements	B-06	0	570,000	0	0	0	0	0	0	0	0
Fire Station #1-Building Maintenance/Improvements	B-07	0	60,000	424,800	285,140	22,000	0	0	0	0	0
Fire Station #3-Building Maintenance/Improvements	B-09	0	0	0	122,800	7,000	12,000	0	0	0	0
Fire Station #4-Building Maintenance/Improvements	B-10	0	30,000	0	124,700	0	0	120,000	0	0	0
Fire Station #5-Building Maintenance/Improvements	B-11	0	0	0	0	0	0	120,000	0	0	0
Heritage Center-Maintenance/Improvements	B-04	470,000	0	108,000	96,160	40,000	75,000	40,000	0	0	0
Police Station- Building Maintenance/Improvements	B-03	325,000	0	2,600,000	60,885	25,000	600,000	165,000	0	165,000	150,000

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Total	2,581,000	540,000	3,432,800	4,194,440	289,000	1,327,000	591,000	130,000	465,000	450,000
Other Uses											
Total Expenditures and Uses		2,581,000	540,000	3,432,800	4,194,440	289,000	1,327,000	591,000	130,000	465,000	450,000
Change in Fund Balance		-1,002,610	2,054,252	-822,231	-1,567,054	555,708	-513,451	140,925	529,853	244,349	289,429
	Ending Balance	**-175,536**	**1,878,716**	**1,056,485**	**-510,569**	**45,139**	**-468,312**	**-327,387**	**202,466**	**446,815**	**736,244**

Equipment Fund

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Balance		**1,451,639**	**776,629**	**1,301,538**	**896,317**	**1,323,664**	**1,018,340**	**442,829**	**435,863**	**379,387**	**1,146,524**
Revenues and Other Fund Sources											
Revenue											
Auction Proceeds		450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Environmental Resources Contributions		40,500	40,500	40,500	40,500	40,500	48,700	48,700	48,700	48,700	48,700
Interest Earnings		72,582	46,331	72,577	52,316	73,683	50,000	50,000	50,000	50,000	50,000
Liquor Fund Contribution		1,500,000	1,200,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Tax Levy- Equipment Fund (2026 Ladder Truck)		0	0	0	0	1,500,000	0	0	0	0	0
Tax Levy-Equipment Fund		400,000	2,200,000	3,000,000	3,000,000	1,000,000	2,000,000	2,500,000	3,000,000	1,750,000	2,000,000
	Total	2,463,082	3,936,831	4,463,077	4,442,816	3,964,183	3,448,700	3,948,700	4,448,700	3,198,700	3,448,700
Other Fund Sources											
Total Revenues and Other Fund Sources		2,463,082	3,936,831	4,463,077	4,442,816	3,964,183	3,448,700	3,948,700	4,448,700	3,198,700	3,448,700
Total Funds available		**3,914,721**	**4,713,460**	**5,764,615**	**5,339,133**	**5,287,847**	**4,467,040**	**4,391,529**	**4,884,563**	**3,578,087**	**4,595,224**
Expenditures and Uses											
Capital Projects & Equipment											
Equipment											
Facilities - Equipment	E-05	9,270	45,021	0	0	0	0	0	0	0	55,215
Fire - Equipment	E-02	562,944	212,524	1,079,564	172,500	1,537,900	431,970	53,528	82,550	136,500	1,216,950
Park Maintenance-Equipment	E-04	572,405	702,514	775,820	409,040	623,610	497,425	368,641	1,190,279	525,038	326,128
Police-Equipment	E-01	709,000	1,299,733	1,349,714	1,840,807	458,098	1,092,816	1,254,141	2,305,055	829,559	980,382
Streets-Equipment	E-03	1,284,473	1,152,130	1,663,200	1,593,122	1,649,899	2,002,000	2,279,356	927,292	940,466	1,382,206
	Total	3,138,092	3,411,922	4,868,298	4,015,469	4,269,507	4,024,211	3,955,666	4,505,176	2,431,563	3,960,881
Other Uses											
Total Expenditures and Uses		3,138,092	3,411,922	4,868,298	4,015,469	4,269,507	4,024,211	3,955,666	4,505,176	2,431,563	3,960,881
Change in Fund Balance		-675,010	524,909	-405,221	427,347	-305,324	-575,511	-6,966	-56,476	767,137	-512,181
	Ending Balance	**776,629**	**1,301,538**	**896,317**	**1,323,664**	**1,018,340**	**442,829**	**435,863**	**379,387**	**1,146,524**	**634,343**

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Park & Trail Improvement Fund											
Beginning Balance		**1,195,000**	**568,760**	**340,745**	**289,735**	**298,260**	**500,851**	**283,590**	**543,410**	**627,195**	**565,380**
Revenues and Other Fund Sources											
Revenue											
Tax Levy		1,550,000	2,950,000	1,450,000	1,450,000	1,450,000	1,450,000	1,350,000	1,250,000	1,250,000	1,150,000
Valley Park Antenna		32,510	33,485	34,490	35,525	36,591	37,689	38,820	39,985	41,185	42,421
	Total	1,582,510	2,983,485	1,484,490	1,485,525	1,486,591	1,487,689	1,388,820	1,289,985	1,291,185	1,192,421
Other Fund Sources											
Total Revenues and Other Fund Sources		1,582,510	2,983,485	1,484,490	1,485,525	1,486,591	1,487,689	1,388,820	1,289,985	1,291,185	1,192,421
Total Funds available		**2,777,510**	**3,552,245**	**1,825,235**	**1,775,260**	**1,784,851**	**1,988,540**	**1,672,410**	**1,833,395**	**1,918,380**	**1,757,801**
Expenditures and Uses											
Capital Projects & Equipment											
Parks											
192nd St Retaining Wall & Trail Reconstruction	P-22	55,000	0	0	0	0	0	0	0	0	0
East Community Park Phase II	25-20	30,000	0	0	0	0	0	0	0	0	0
Kenrick Trail Sheet Pile, Wall, & Trail Repairs	P-21	275,000	0	0	0	0	0	0	0	0	0
Klamath Trail Retaining Wall	23-13	10,000	1,500,000	0	0	0	0	0	0	0	0
Park Improvements (Various Parks)	P-06	277,000	544,000	164,000	142,000	112,000	467,000	182,000	102,000	102,000	7,000
Park parking lot improvements	P-09	75,000	210,000	113,000	55,000	45,000	90,000	40,000	60,000	60,000	60,000
Parks Major Maintenance - Bldgs/Shelters/Grounds	P-17	60,000	0	0	500	24,850	0	29,250	129,050	88,500	88,500
Parks Major Maintenance - Courts	P-20	7,000	30,000	22,000	12,000	51,400	60,200	43,000	13,400	70,500	45,000
Parks Major Maintenance - Fields	P-16	31,500	37,000	39,000	39,000	12,000	14,000	14,000	14,000	14,000	14,000
Parks Major Maintenance - General	P-01	18,250	18,500	19,500	19,500	19,750	19,750	19,750	19,750	21,000	21,000
Parks Major Maintenance - Open Space	P-15	27,000	27,000	27,000	27,000	28,000	28,000	28,000	28,000	28,000	28,000
Playground Replacement	P-08	453,000	315,000	543,000	372,000	381,000	390,000	133,000	200,000	300,000	150,000
Trail Improvements (Various Trails)	P-05	890,000	530,000	608,000	610,000	610,000	636,000	640,000	640,000	669,000	665,000
	Total	2,208,750	3,211,500	1,535,500	1,277,000	1,284,000	1,704,950	1,129,000	1,206,200	1,353,000	1,078,500
Transportation											
Holyoke/Highview Avenue Reconstruction	25-05	0	0	0	200,000	0	0	0	0	0	0
	Total	0	0	0	200,000	0	0	0	0	0	0
Other Uses											
Total Expenditures and Uses		2,208,750	3,211,500	1,535,500	1,477,000	1,284,000	1,704,950	1,129,000	1,206,200	1,353,000	1,078,500

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Change in Fund Balance		-626,240	-228,015	-51,010	8,525	202,591	-217,261	259,820	83,785	-61,815	113,921
	Ending Balance	**568,760**	**340,745**	**289,735**	**298,260**	**500,851**	**283,590**	**543,410**	**627,195**	**565,380**	**679,301**

Pavement Management Fund

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Balance		**425,000**	**85,500**	**83,000**	**103,000**	**103,000**	**133,000**	**131,750**	**111,750**	**111,750**	**31,750**
Revenues and Other Fund Sources											
Revenue											
MSA- Maintenance		120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Tax Levy		2,150,000	2,550,000	2,550,000	2,600,000	2,700,000	2,800,000	2,800,000	2,900,000	2,900,000	3,000,000
	Total	2,270,000	2,670,000	2,670,000	2,720,000	2,820,000	2,920,000	2,920,000	3,020,000	3,020,000	3,120,000
Other Fund Sources											
Total Revenues and Other Fund Sources		2,270,000	2,670,000	2,670,000	2,720,000	2,820,000	2,920,000	2,920,000	3,020,000	3,020,000	3,120,000
Total Funds available		**2,695,000**	**2,755,500**	**2,753,000**	**2,823,000**	**2,923,000**	**3,053,000**	**3,051,750**	**3,131,750**	**3,131,750**	**3,151,750**
Expenditures and Uses											
Capital Projects & Equipment											
Transportation											
County Pavement Preservation/City Utility Repairs	XX-10	0	25,000	0	0	0	0	0	0	0	0
CSAH 33 Alignment Study (CSAH 9 - CSAH 46)	31-06	0	0	0	0	0	56,250	0	0	0	0
CSAH 60 Alignment Study (CSAH 23 - Flagstaff Ave)	26-07	94,500	0	0	0	0	0	0	0	0	0
Lake Marion Greenway	26-15	0	67,500	0	0	0	0	0	0	0	0
Pavement Management - Maintenance	XX-01	2,515,000	2,580,000	2,650,000	2,720,000	2,790,000	2,865,000	2,940,000	3,020,000	3,100,000	3,255,000
	Total	2,609,500	2,672,500	2,650,000	2,720,000	2,790,000	2,921,250	2,940,000	3,020,000	3,100,000	3,255,000
Other Uses											
Total Expenditures and Uses		2,609,500	2,672,500	2,650,000	2,720,000	2,790,000	2,921,250	2,940,000	3,020,000	3,100,000	3,255,000
Change in Fund Balance		-339,500	-2,500	20,000	0	30,000	-1,250	-20,000	0	-80,000	-135,000
	Ending Balance	**85,500**	**83,000**	**103,000**	**103,000**	**133,000**	**131,750**	**111,750**	**111,750**	**31,750**	**-103,250**

Technology Fund

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Balance		**356,627**	**351,254**	**343,043**	**171,254**	**285,699**	**410,818**	**573,138**	**698,803**	**417,389**	**320,815**
Revenues and Other Fund Sources											
Revenue											

Source	Project #	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Interest Earnings		17,831	17,563	14,717	6,082	9,304	13,077	18,679	11,605	6,972	5,000
Tax levy		250,000	350,000	350,000	350,000	350,000	350,000	400,000	400,000	400,000	400,000
	Total	267,831	367,563	364,717	356,082	359,304	363,077	418,679	411,605	406,972	405,000
Other Fund Sources											
Total Revenues and Other Fund Sources		267,831	367,563	364,717	356,082	359,304	363,077	418,679	411,605	406,972	405,000
Total Funds available		**624,458**	**718,817**	**707,760**	**527,336**	**645,003**	**773,895**	**991,817**	**1,110,408**	**824,361**	**725,815**
Expenditures and Uses											
Capital Projects & Equipment											
Technology											
Technology - General Government	T-01	18,109	42,709	8,592	11,613	36,783	17,767	48,755	11,742	7,114	35,402
Technology- Parks & recreation	T-09	12,915	7,169	19,558	10,210	5,120	13,119	10,236	20,692	7,408	6,637
Technology-Miscellaneous	T-11	5,150	116,043	5,464	0	0	0	0	0	0	0
Technology-Network infrastructure	T-10	45,497	130,067	373,786	0	137,142	54,414	184,641	437,300	330,000	219,000
Technology-Public Safety	T-02	167,489	71,335	123,022	199,705	41,561	94,128	40,225	216,231	140,521	94,507
Technology-Public Works	T-03	24,044	8,451	6,084	20,109	13,579	21,329	9,157	7,054	18,503	15,399
	Total	273,204	375,774	536,506	241,637	234,185	200,757	293,014	693,019	503,546	370,945
Other Uses											
Total Expenditures and Uses		273,204	375,774	536,506	241,637	234,185	200,757	293,014	693,019	503,546	370,945
Change in Fund Balance		-5,373	-8,211	-171,789	114,445	125,119	162,320	125,665	-281,414	-96,574	34,055
	Ending Balance	**351,254**	**343,043**	**171,254**	**285,699**	**410,818**	**573,138**	**698,803**	**417,389**	**320,815**	**354,870**

Property Tax Levy, Tax Capacity, and Tax Rate

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
PROPERTY TAX LEVY										
Operations										
General Fund	29,509,650	32,977,000	34,190,685	35,558,312	37,158,436	38,644,773	40,383,788	41,999,140	43,679,106	44,989,479
St Reconstruction	-	-	-	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Pavement Management	1,800,000	1,800,000	2,150,000	2,550,000	2,550,000	2,600,000	2,700,000	2,800,000	2,800,000	2,900,000
Communications Fund		-	300,000	350,000	400,000	450,000	500,000	550,000	550,000	600,000
Building Fund	-	-	1,000,000	2,000,000	2,000,000	2,000,000	200,000	200,000	100,000	-
Equipment Fund	-	-	400,000	2,200,000	3,000,000	3,000,000	1,000,000	2,000,000	2,500,000	3,000,000
Technology Fund	-	300,000	250,000	350,000	350,000	350,000	350,000	350,000	400,000	400,000
Park & Trail Imp Fund	750,000	1,000,000	1,550,000	2,950,000	1,450,000	1,450,000	1,450,000	1,450,000	1,350,000	1,250,000
Subtotal Operations	**32,059,650**	**36,077,000**	**39,840,685**	**46,113,312**	**47,063,436**	**48,649,773**	**46,738,788**	**49,504,140**	**51,534,106**	**53,294,479**
Subtotal Debt	**11,537,150**	**12,773,050**	**12,145,790**	**13,424,738**	**15,195,557**	**14,980,194**	**16,920,537**	**13,105,583**	**12,700,543**	**12,407,123**
TOTAL TAX LEVY	**43,596,800**	**48,850,050**	**51,986,475**	**59,538,050**	**62,258,993**	**63,629,967**	**63,659,325**	**62,609,723**	**64,234,649**	**65,701,602**
Annual % Change - Levy	*9.62%*	*12.05%*	*6.42%*	*14.53%*	*4.57%*	*2.20%*	*0.05%*	*-1.65%*	*2.60%*	*2.28%*
Fiscal Disparity Distribution	3,521,814	3,928,377	4,277,218	4,319,990	4,363,190	4,406,822	4,450,890	4,495,399	4,540,353	4,585,757
Net Spread Levy	40,074,986	44,921,673	47,709,257	55,218,060	57,895,803	59,223,145	59,208,435	58,114,324	59,694,296	61,115,845
Annual % Change - Spread Levy	*11.1%*	*12.1%*	*6.2%*	*15.7%*	*4.8%*	*2.3%*	*0.0%*	*-1.8%*	*2.7%*	*2.4%*
TAX CAPACITY (TC)										
Tax Cap B4 New Construction	137,773,924	143,701,341	153,861,436	156,728,494	162,921,849	169,001,536	174,483,091	180,121,385	185,922,969	191,891,314
Tax Cap from New Constr	4,592,748	4,404,709	2,927,490	2,998,809	2,765,931	2,060,319	2,106,502	2,156,035	2,205,770	2,259,651
Total Tax Capacity	142,366,672	148,106,050	156,788,926	159,727,303	165,687,780	171,061,855	176,589,593	182,277,420	188,128,739	194,150,965
Less FiscDisp TC Contrb	8,872,467	10,309,804	11,643,346	11,876,213	12,113,737	12,356,012	12,603,132	12,855,195	13,112,299	13,374,545
Less TIF Captured TC	854,791	551,072	587,523	565,000	545,200	515,351	405,497	413,607	421,879	430,316
NET TAX CAPACITY	**132,639,414**	**137,245,174**	**144,558,057**	**147,286,090**	**153,028,843**	**158,190,492**	**163,580,964**	**169,008,618**	**174,594,561**	**180,346,104**
Annual % Change	*9.10%*	*3.47%*	*5.33%*	*1.89%*	*3.90%*	*3.37%*	*3.41%*	*3.32%*	*3.31%*	*3.29%*
TAX CAPACITY TAX RATE	**0.3021**	**0.3273**	**0.3300**	**0.3749**	**0.3783**	**0.3744**	**0.3620**	**0.3439**	**0.3419**	**0.3389**
Annual % Change	*1.80%*	*8.33%*	*0.83%*	*13.59%*	*0.91%*	*-1.05%*	*-3.32%*	*-5.00%*	*-0.57%*	*-0.88%*