

**City Council Agenda Item 3.A
Meeting of August 17, 2026**



Title: Preliminary 2027 budget review

Report from: Darin Nelson, Finance Director

Submitted through: Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Mike Funk, City Manager and Darin Nelson, Finance Director

Action Requested: Review the preliminary 2027 budget and levies and provide feedback.

Summary Statement

City staff is pleased to propose to the city council a 2027 levy and budget consistent with our strategic goals and community values. Within that framework, the budget recommendations presented are both forward-looking and responsive to the community and the city council's concerns, specifically to ensure that city services are maintained. The proposal aligns with the reaffirmation by a considerable majority of Minnetonka community survey respondents that they would support an increase in taxes to maintain current city service levels. The recommendations are built using long-term forecasts, including a conservative eye on the national economy.

As always, the City of Minnetonka will continue to provide the excellent services that our residents and businesses have come to expect, and at a reasonable value, both in 2027 and well into the future.

Strategic Plan Relatability

Financial Strength

The city's six strategic priorities drive the development and direction of the annual budget.

Background

See supplemental background report.

Discussion Questions

1. Does the city council support a base property tax levy increase of 6.1 percent, including 1.6 percent for the continued implementation of the public safety master plan?
2. Does the city council support an additional 0.7 percent tax levy for facility improvements related to fire station #2 improvements for a total levy increase of 6.8 percent?
3. Does the city council agree that a total of \$225,000 should be certified as the HRA preliminary levy for 2027, which is the same levy amount presented at the EIP study session in July?

ATTACHMENTS:

[Supplemental Background Report](#)

[2027 Preliminary General Fund Budget](#)

[General Fund Budget to Actual Report Q2 2026](#)