



AGENDA

**City Council Work Session
Monday, June 22, 2026
Council Chambers
(following the Regular Meeting at 6 p.m.)**

1. Initial 2027-2028 Budget Discussion
2. Adjournment



AGENDA RECOMMENDATION

City Council Work Session

1.

Meeting Date: 06/22/2026

Agenda Item:

Initial 2027-2028 Budget Discussion

Recommendation/Action(s):

Discussion/Direction.

Summary:

As the 2027-2028 preliminary budget process has begun, staff are in continued pursuit of better aligning resources with service levels and capital needs. As part of a two-year budget cycle, staff are interested in garnering City Council feedback on 2027–2028 priorities and suggested adjustments to operational, capital, strategic, and legislative initiatives before resources are included within the preliminary budget to be presented later this summer.

At the work session, staff will provide an overview of the initial tax levy forecast and guiding documents departments are utilizing to formulate the 2027-2028 preliminary budget.

Attachments

Presentation

Initial 2027-2028 Budget Discussion

06/22/2026

2027-2028 Budget Calendar

- Mar 23rd – Apr 3rd Budget/CIP Overview to all Departments/Divisions
- June 1st Submission of Proposed Operating & CIP Projects Due (April 3rd – June 1st)
- June 2nd – Jun 30th FY 2027-2028 Internal Budget/Capital Review
- June 22nd 2027-2028 Budget Strategy & Initiative Council Discussion
- Aug 21st FY 2027-2028 Proposed Budget Document Sent to Council
- Aug 24th Council Work Session:
 - Review of proposed budget focused on property tax supported funds and a preliminary estimate of the property tax levy
- Sept 14th Review of Proposed Levy Options
- Sept 17th FY 2027-2031 CIP Bus Tour (5-7 p.m.)
- Sept 28th Council Meeting to adopt a preliminary 2027 payable property tax levy for certification to Blue Earth County and Nicollet County (last meeting possible)
- Oct 1st Public Open House for FY 2027-2028 CIP (Council Chambers 6-7:30 p.m.)
- Oct 26th FY 2027-2028 Budget Work Session
 - General Fund & Special Revenue Fund Open Work Session
- Nov 2nd FY 2027-2028 Budget Work Session
 - Enterprise Funds
- Nov 9th FY 2027-2028 Budget Work Session
 - Community Partnership Annual Reports: Greater Mankato Growth (Visit Mankato, Downtown Partnership , REDA), Southern MN Initiative Foundation, Twin Rivers Council for the Arts, and Greater Mankato Diversity Council
- Nov 23rd FY 2027-2028 Budget Work Session
 - Internal Service Funds
- Dec 7th Budget Hearing/Truth in Taxation meeting and consideration of adoption of 2027 Payable final property tax levy amounts and FY 2027-2028 budget

2026 Budget Forecast

	Budget 2025		Budget 2026	Preliminary 2027	Preliminary 2028
City Tax Levy					
General Fund Levy	20,461,996		21,990,000	23,371,500	24,865,925
Debt Service Levy	3,825,300		3,600,000	3,537,000	3,427,000
Transit Levy	415,000		415,000	415,000	415,000
EDA Levy	365,000		365,000	365,000	365,000
Total City Tax Levy	25,067,296		26,370,000	27,688,500	29,072,925
Total Tax Levy	25,067,296		26,370,000	27,688,500	29,072,925
Net Tax Capacity	63,440,213		64,797,307	67,337,566	69,357,693
Extension Rate	39.51%		40.70%	41.12%	41.92%
Total Budgeted Levy Increase (\$)	964,127		1,302,704	1,318,500	1,384,425
Total Budgeted Levy Increase (%)	4.00%		5.20%	5.00%	5.00%
General Fund Tax Levy	20,461,996		21,990,000	23,371,500	24,865,925
Local Government Aid	8,487,451		8,497,593	8,527,641	8,612,917
General Fund Levy Base	28,949,447		30,487,593	31,899,141	33,478,842
LGA + G.F. Levy + MV Aid					

2027 – 2028 Guiding Strategy

- Meet or exceed 46% General Fund reserve target over 5 years
- Meet all capital fund balance targets
- Ensure wages are competitive compared to Market Analysis
- Ensuring future G.O. capacity for larger future surface transportation costs
- Correlating budget with strategic plan, service levels, and budget