

Human Resources

Our team





Department overview

We care for our people, so they can care for our community.



Core services

- Recruitment
- Payroll
- Employee benefits and wellbeing
- Labor and employee relations
- Employee safety

Achievements

- Implemented our employee wellbeing enhancements
- Completed internal review of all position descriptions
- Conducted compensation market analysis
- Hired 36 full-time/part-time, 103 seasonal, and 324 election judges in last year

Challenges and opportunities

- Growing compliance requirements
- More demand for HR services
- Remaining competitive with rising labor and insurance costs

Challenges and opportunities

- Four open labor agreements
- Two-year market and job evaluation structure, challenges with maintaining market competitive wages

Expenses

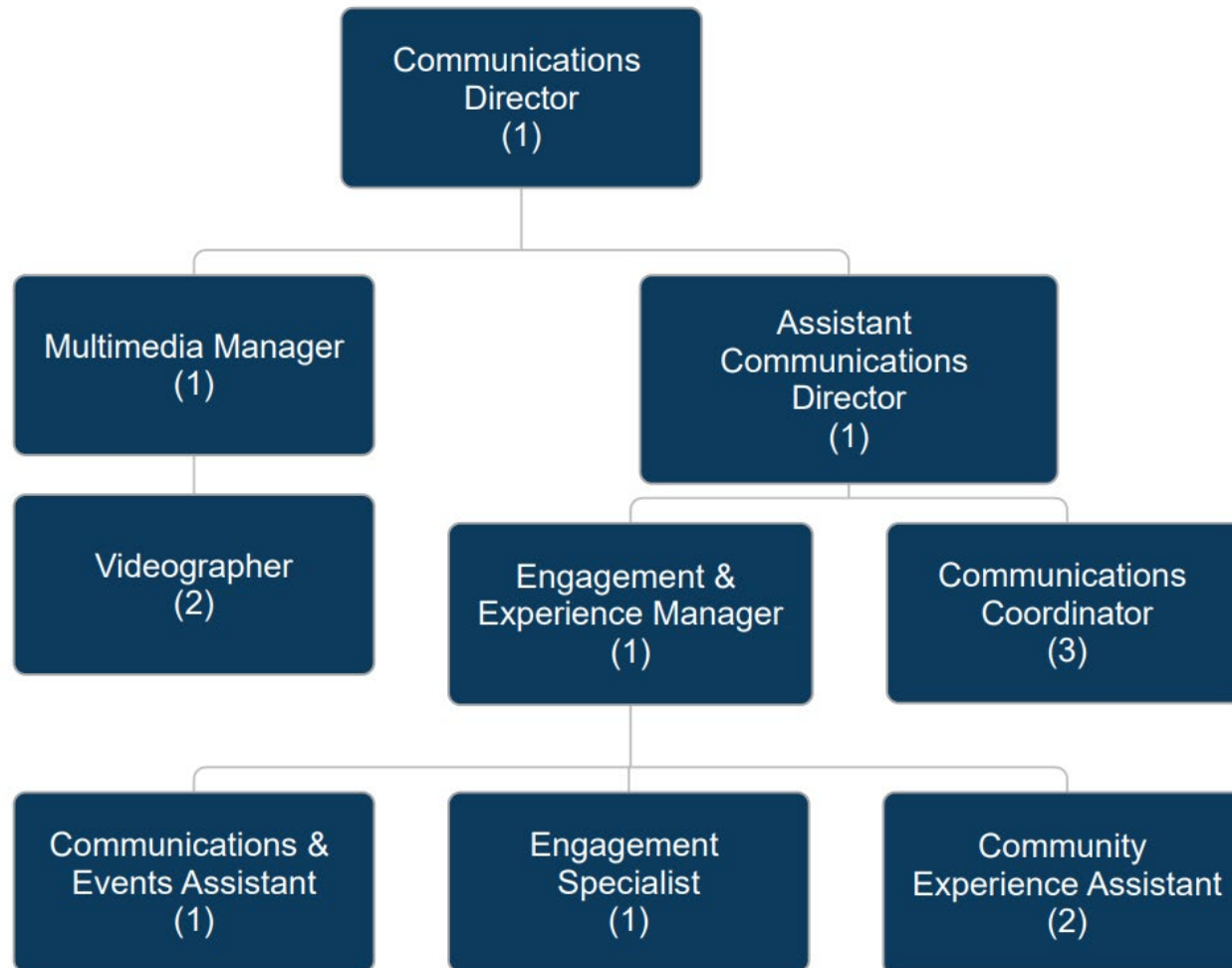
	2024 Actual	2025 Budget	2026 Request
Total	\$86,791	\$259,442	\$243,664

Major changes in expenses

- \$15,778 reduction in operating expense
- Rightsizing budget line items

Communications

Our team





Department overview

We build trust and engagement by connecting the community with city services, programs, and people.

Core services

- General communications support and strategy
- Media relations
- Marketing and branding
- Multimedia and community TV
- Community experience and engagement

Achievements

- Completed communications assessment
- Launched pilot neighborhoods and grant program
- Conducted community survey (residential and business)
- Communication support of the police city hall project



Challenges and opportunities

- Restructuring and growing team
- Enhancing digital accessibility and meeting compliance

Revenue

	2024 Actual	2025 Budget	2026 Request
Community TV	\$203,099	\$252,700	\$208,700
Cable Franchise	\$562,980	\$570,000	\$498,000
Total	\$765,989	\$822,700	\$706,700

Expenses

	2024 Actual	2025 Budget	2026 Request
Community TV	\$73,212	\$130,620	\$93,123
Public Affairs	\$350,192	\$279,792	\$323,482
Public Experience and Engagement	\$13,525	\$93,251	\$75,502

Major changes in expenses

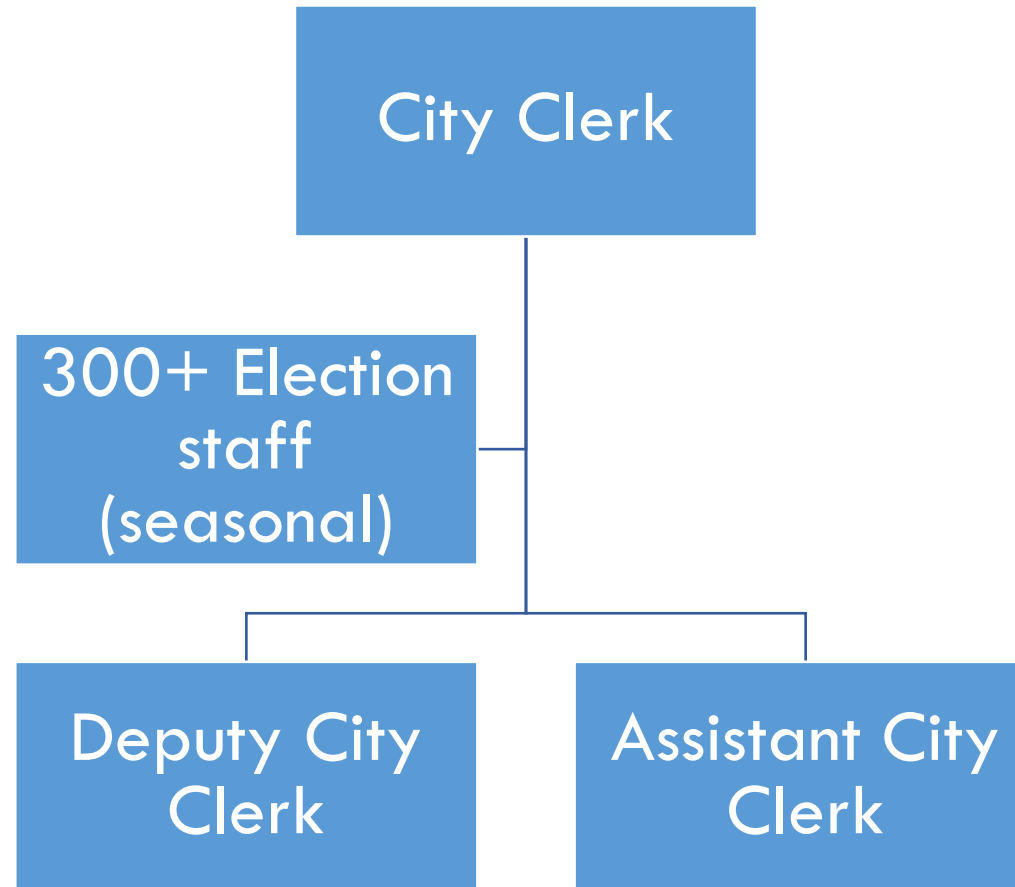
- Additional 2.0FTE
- Communications coordinator
- Experience and engagement manager
- Addition of website consultant
- Rightsizing budget line items (total reduction of \$11,556)

Capital requests

- EditShare and playout automation replacement: \$149,000
- Ongoing maintenance \$21,000 per year

City Clerk

Our team



Department Overview

- Public meeting administration (i.e. agendas, minutes, etc.)
- Records management and data requests
- Election administration and absentee voting
- License administration
- Legal compliance (i.e. open meeting law)

Achievements

- Development of cannabis registration program
- Process over 300 new and renewal licenses
- Fall 2025: Primary and General Elections
- BU Classes: iCompass Agenda Software, Laserfiche Records, and GovQA Data Requests

Challenges and Opportunities

- Implementation of new voting equipment and new election laws, such as early voting
- Implementation of cannabis registration program
- Develop a contract tracking process

Revenue

	2024 Actual	2025 Budget	2026 Request
Licensing	\$321,867	\$311,048	\$309,382



Major changes in revenues

- New cannabis registration fees

Expenses

	2024 Actual	2025 Budget	2026 Request
City Clerk	\$335,806	\$364,351	\$386,622
Election	\$244,890	\$ 61,092	\$227,500

Major changes in expenses

- Increase in VOTER grant funds from \$5,510 to \$21,316 annually
- New voting equipment and additional staffing for early voting

Capital improvement plan

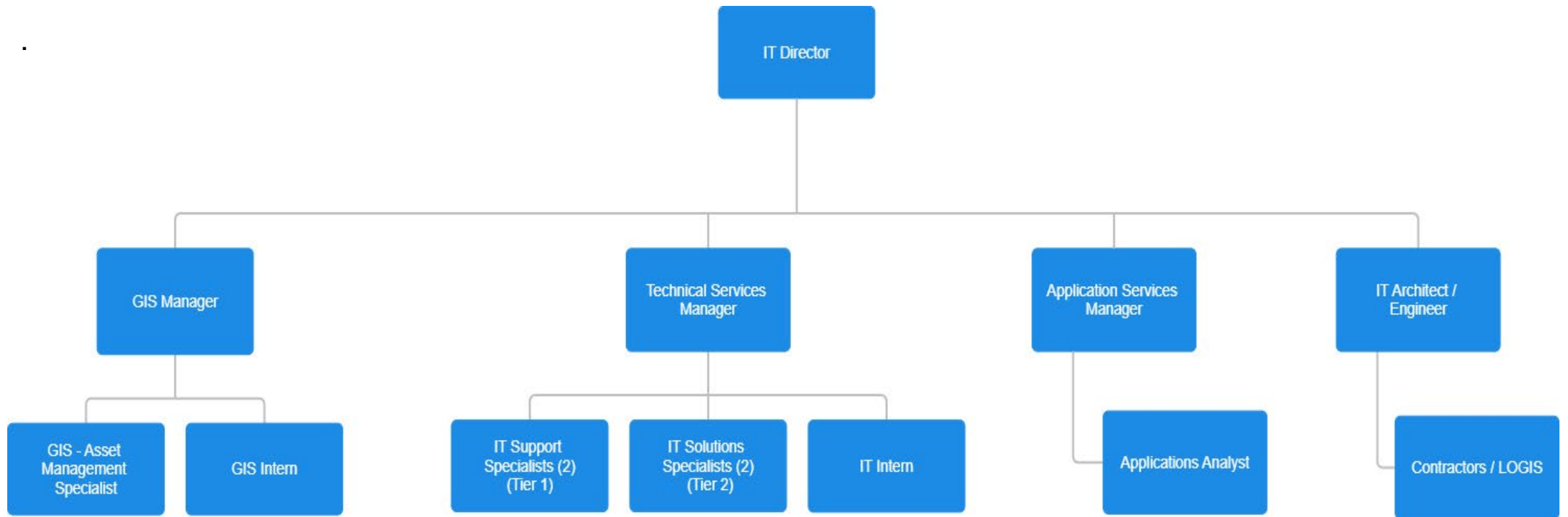
2026	2027	2028	2029	2030	Total
\$0	\$38,917	\$38,917	\$38,917	\$38,917	\$155,668

Capital improvement plan

- New voting equipment estimate is just under \$200,000
- Dakota County will finance the new voting equipment
allowing cities to pay interest-free over a five-year period

Information Technology

Our team



Department overview

- Provide robust technology services, security, management and maintenance of hardware and software assets
- Support staff, partner organizations, and other stakeholders with exceptional services
- Provide value to the organization and community

Achievements

- IT assets condition assessment study to inform IT CIP
- IT security assessments - consultant, and self assessments
- Water Treatment Plant network infrastructure replacements
- AXON Officer Safety Package 10-year agreement
- Centralized GIS services into IT

Challenges and opportunities

- Cybersecurity: additional services, tools, training, and organizational priorities and partnerships
- Systems lifecycles: shortened, higher demand, changing expectations

Challenges and opportunities

- We are using capital plans to inform our work
- Working on operational assessment studies
- Address staffing resources: organizational analysis positions for 2027-28

Lease revenue

	2024 Actual	2025 Budget	2026 Request
General Fund	\$1,062,513	\$876,357	\$835,400
Water Sewer	\$39,854	\$30,047	\$30,287
Total	\$1,102,368	\$906,404	\$865,687

Expenses

	2024 Actual	2025 Budget	2026 Request
General Fund	\$1,615,607	\$2,121,230	\$1,994,634
GIS	\$67,625	\$85,998	\$130,326
IT	\$1,547,982	\$2,035,232	\$1,864,308
Water Sewer	\$205,581	\$235,652	\$241,063
Total	\$1,821,188	\$2,356,882	\$2,235,697

Major changes in expenses

- Centralized GIS PW expenses moved into IT
- Increased hosting licenses for Microsoft services
- LOGIS professional services cost increases: network items
- Security: next generation firewalls annual maintenance



Capital Year over year Comparison

All Funds	2026	2027	2028	2029	2030	Total
2025-2029	\$1,415,900	\$1,282,800	\$1,291,000	\$1,128,400	N/A	\$5,118,100
2026-2030	\$4,301,954	\$1,627,954	\$1,191,860	\$1,633,600	\$1,370,800	\$8,446,308
Change	\$2,886,054	\$345,154	\$(99,140)	\$505,200	\$1,370,800	\$3,637,268

Major changes in CIP

- Extension of fiber infrastructure to water utility sites:
\$175,000
- Equipment leases and IT infrastructure: \$270,000
- ERP system: \$2,815,000 rebudgeted

Capital studies

- IT assets condition assessment is complete and informing capital budget decisions
- Parks lighting and cameras study is in process

Significant projects

- ERP system replacement 2025-2028
- Network infrastructure replacements: 60 sites 2025-2026
- Staff device replacements 2025-2026
- Two data centers: infrastructure replacements 2026

2026 Proposed Operating Budget

Budget calendar

Department budget presentations

September 9

Discuss proposed 2026 fees and utility rate study

September 9

Adopt proposed city and EDA property tax levy

September 16

Discuss proposed 2026 budget (if needed)

November 25

Adopt city and EDA property tax levy and budget

December 2

2026 Budget

We have balanced to the 7.40% tax levy increase:

- Impact to median value home is \$9 per month
- Taxable market value increased 2.6% or \$247M
- Tax rate increased from 45.803% to 48.761%
- \$1.9M in budget effectiveness corrections to balance

Preliminary levy comparison

Apple Valley	14.02%	Burnsville	7.40%
Edina	9.23%	St. Louis Park	6.70%
Eagan	8.9%	Maple Grove	6.35%
Minnetonka	7.93%	Eden Prairie	5.40%
		Average	8.13%

Pressures

We've had to adjust to current realities to balance the budget:

- Continued inflationary impacts
- Workers' compensation, impact of PTSD and duty disability
- State mandated well being program
- Health insurance increases

Pressures

We've had to adjust to current realities to balance the budget:

- First year of additional fire positions for standard of cover
- Four open bargaining agreements
- Market pressures, wages increasing in the public sector
- Deferred capital and maintenance investments
- We've planned to spend down fund balance

Realities

The current five-year plan:

- Maintaining current service levels
- Spending down fund balance to policy minimums as planned
- As a result, we do not have future budget flexibility
- Additional programs or services will require prioritization

Studies to inform future

- Capital improvement and related operational studies
- Organizational analysis (service, staffing and compensation)
- Fire department standards of cover
- Communications assessment

Studies to inform future

- Information technology assessments
- Operations and maintenance studies in public works, facilities and parks

FMP property tax projections

Category	2026	2027	2028	2029	2030
Property tax % increase	7.40%	7.69%	7.00%	7.00%	7.00%
Non-binding resolution	yes	yes	no	no	no

Effective use of resources

\$1.9M of effectiveness corrections for 2026 are included:

- Increased revenue assumptions
- Reduce current expenditures across departments
- Reductions in personnel costs

Effective use of resources

\$1.9M of effectiveness corrections for 2026 are included:

- Continue to budget for a vacancy factor
- Adjust economic development levy in 5-year plan

Projected EDA investment fund

EDA investment fund balance comparison reallocating \$1 M of levy annually to the General Fund in 2026 and beyond:

Budget Projection	2023	2024	2025Est	2026P	2027P
2023 Budget	\$660,000	\$1.4M	\$2.5M	\$3.8M	\$5.3M
2026 Budget projections	\$2.0M	\$3.1M	\$4.4M	\$4.9M	\$5.5M

Effectiveness corrections

Annual average effectiveness correction of \$1.8M:

Category	2026	2027	2028	2029	2030
Increase revenues	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122
Reduce Personnel	\$538,193	\$510,771	\$494,975	\$517,003	\$540,106
Reduce Expenditures	\$366,495	\$181,287	\$187,282	\$193,487	\$199,909
Reduce EDA levy	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

Future Budget Considerations

Other reductions in future years could include:

- Eliminate programs and services
- Reduce travel and lodging costs across departments
- Explore additional fees
- Eliminate Organizational Analysis or open positions

Revenue assumptions

Category	Change
Property tax levy	7.40%
Fees and charges	3.0%
Investment earnings	2.0%
All other non-property tax revenues	1.0%

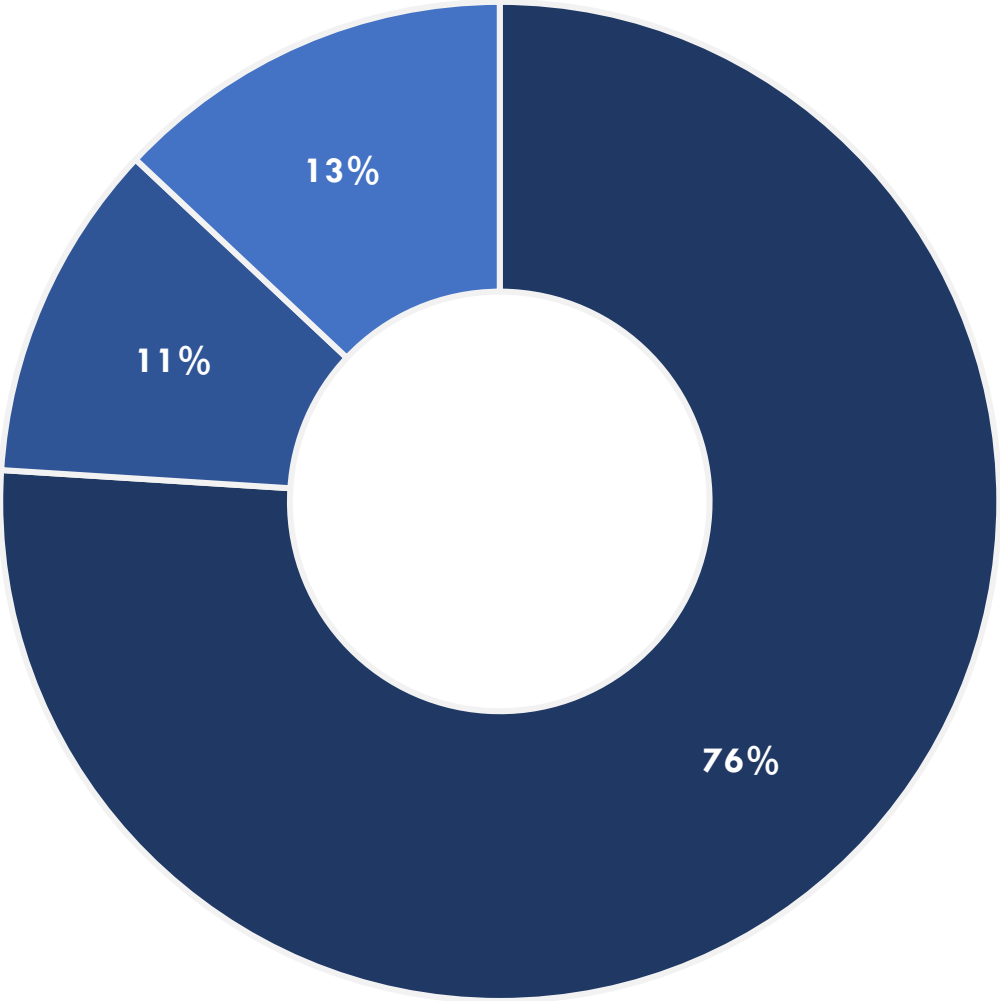
Expenditure assumptions

Category	Change
Compensation plan	5.0 to 6.0%
Health insurance premiums	13.08%
Worker's compensation insurance premiums	(9%)
Current expenditures	3.5%



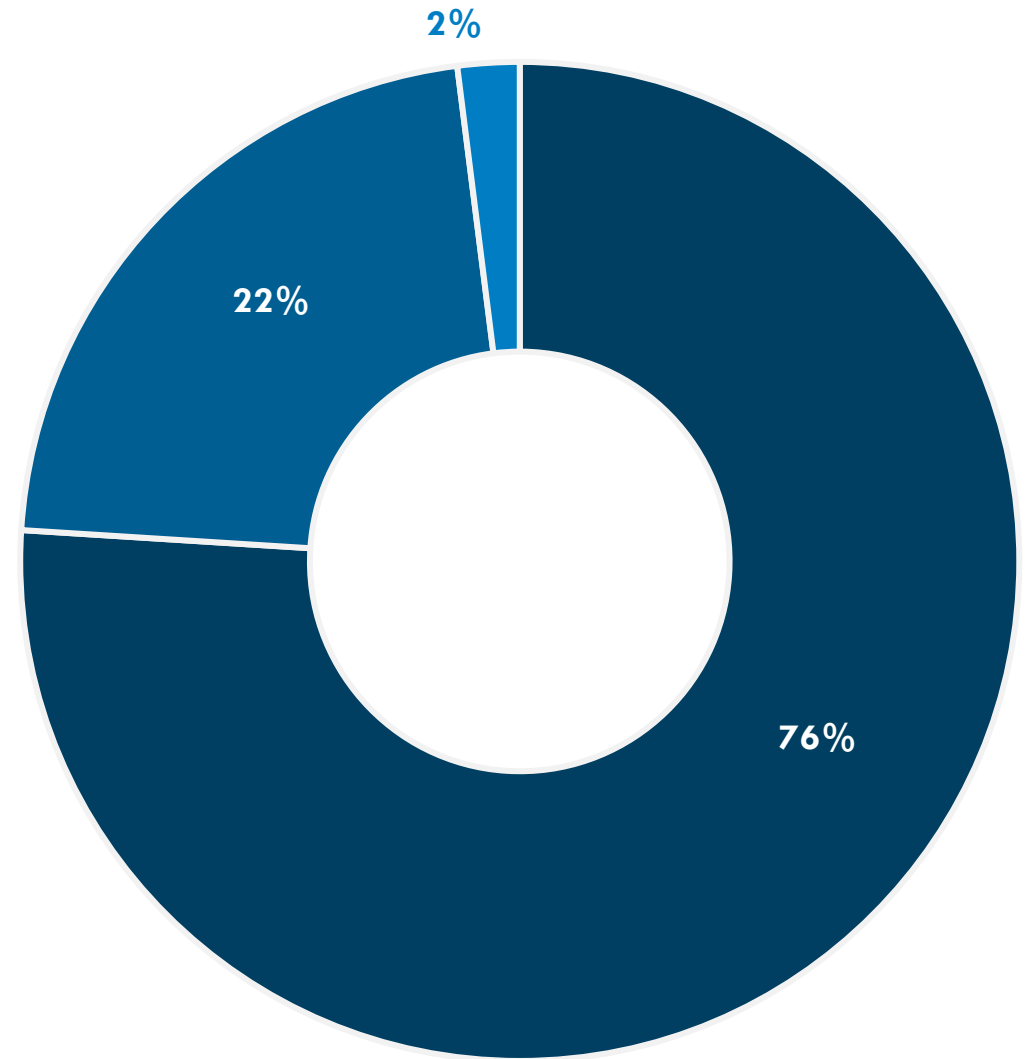
General fund revenues

■	Property taxes	76%
■	Charges for services	11%
■	Intergovernmental	5%
■	Licenses and permits	4%
■	Miscellaneous	2%
■	Investment Income	2%
Total		\$64M

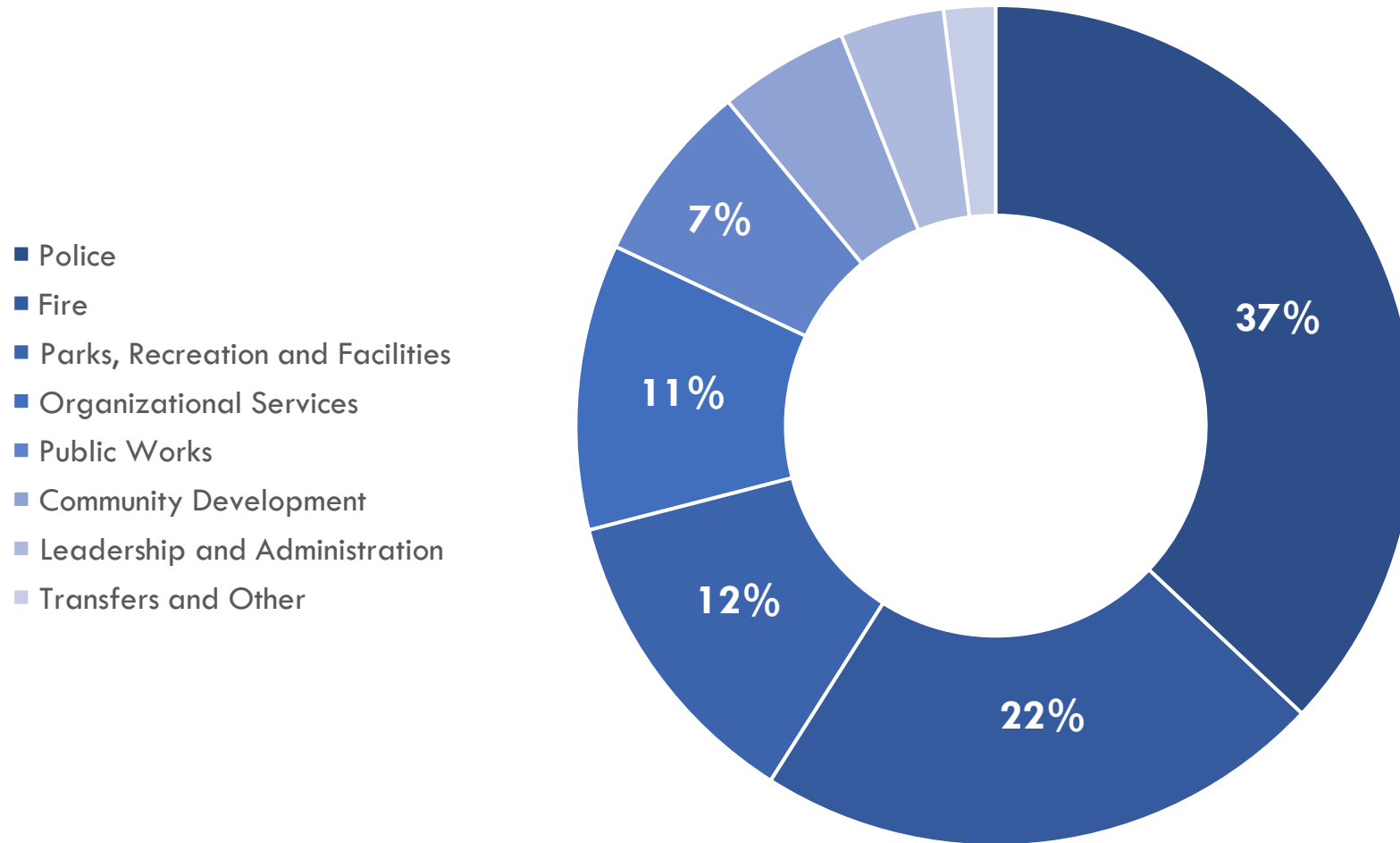


Expenditures

■	Personnel services	76%
■	Current expenditures	22%
■	Other	2%
Total		\$67M



Expenditures by Department



General Fund Expenditures

What's included:

- Four 2026 Fire Standards of Cover positions
- Two Communications Assessment Positions
- Health insurance increases of 13.08%

General Fund Expenditures

What's included:

- Annual 3% cost of living adjustments and step increases
- Payroll tax for State Well-being Leave program; expect approval from state
- Additional vehicle maintenance costs, large fire vehicles

General Fund Expenditures

What's included:

- Website accessibility
- Police data analytics
- Community Vision and Comprehensive Plan update
- Inflationary increases, including Dakota 911

General Fund Expenditures

What's not included:

- Additional 2027-2030 fire positions recommended by Standards of Cover (19)
- Funding strategy discussion planned with 2027 Organizational Analysis

General Fund Expenditures

What's not included:

- Compensation study market update adjustments
- Additional positions associated with ongoing or future studies in recreation and facilities, public works and parks, information technology, human resources and police

General Fund Expenditures

What's not included:

- Increases to employer HRA/HSA contributions
- Eliminated two division coordinator positions from 2025

Organizational analysis and an existing open half-time administrative position

General fund expenditures

Personnel Services	2025B	2026P	Change \$	Change %
2026 organizational analysis			1,689,790	3.6%
Changes in compensation, overtime and positions			1,590,339	3.4%
Health insurance premiums			555,039	1.2%
State well-being program			347,461	0.7%
Compensated absences			132,844	0.3%
Total	\$46.84M	\$51.16M	4,315,473	9.2%

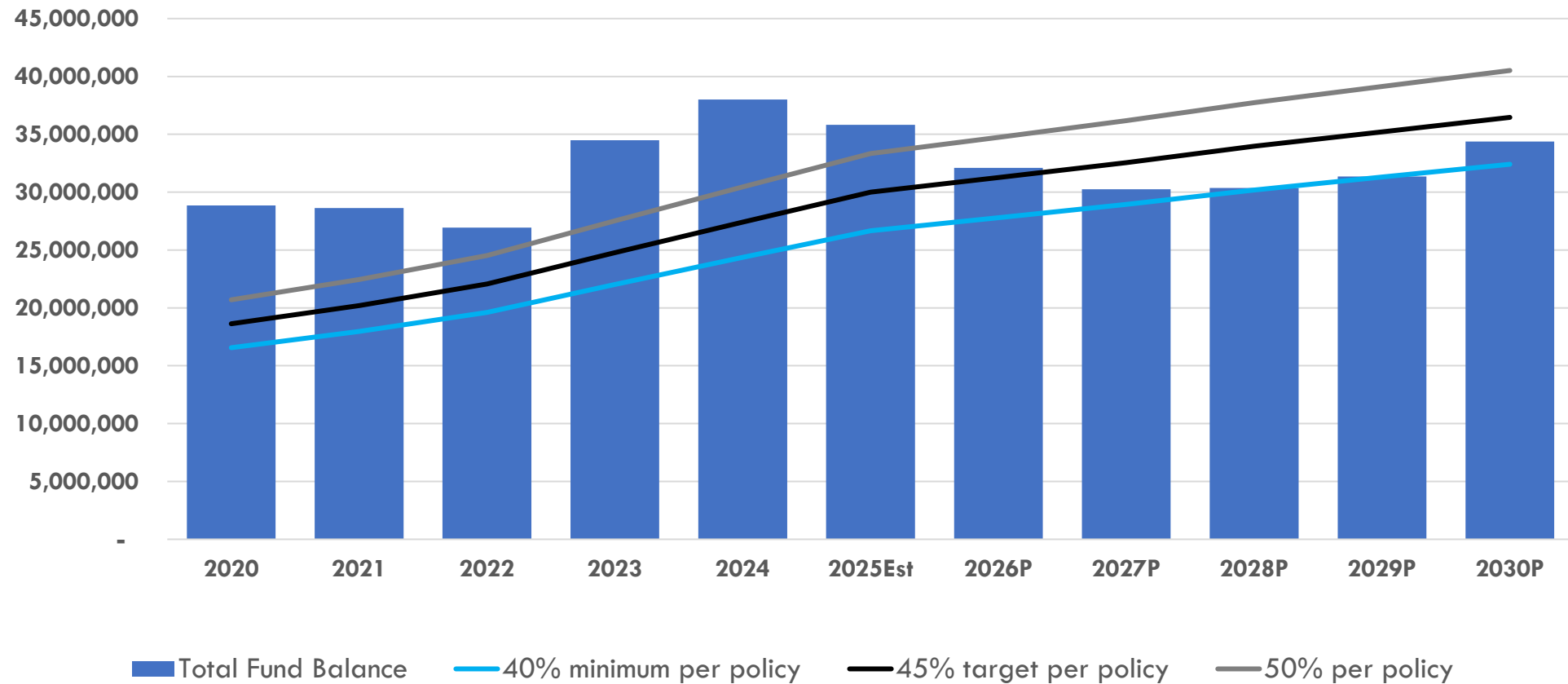
General fund expenditures

Current expenditures	2025B	2026P	Change \$	Change %
Inflation adjustment and other	\$13.76M	\$15.20M	601,512	4.8%
Comprehensive plan			250,000	1.8%
Vehicle maintenance			197,255	1.4%
Dakota 911			192,815	1.4%
Website accessibility and police data analytics			127,500	1.0%
Total	\$13.76M	\$15.20M	\$1.43M	10.4%

General fund expenditures

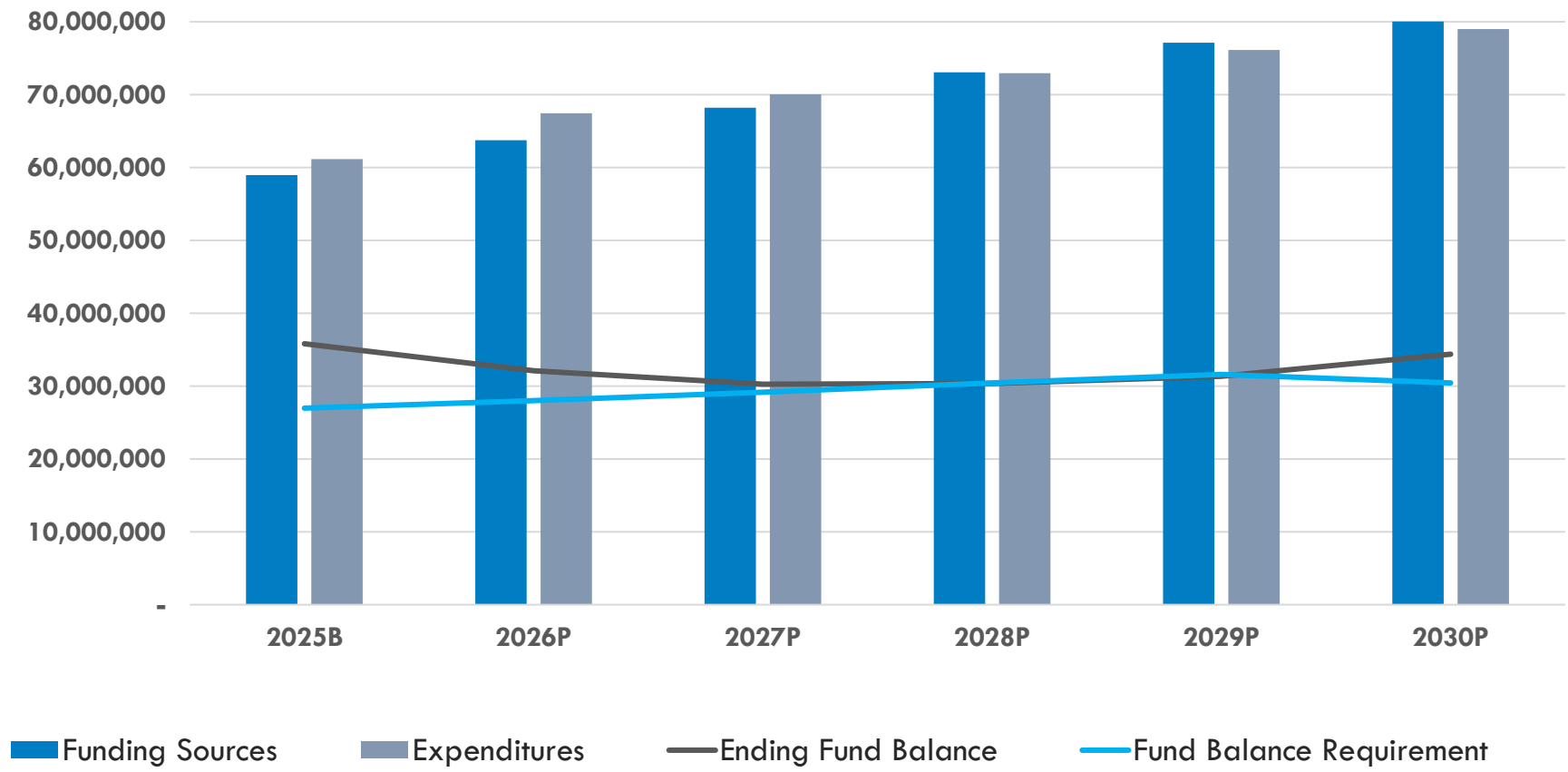
	2025P	2026P	Change \$	Change %
Personnel services	\$46.84M	\$51.16M	\$4.32M	9.2%
Current expenditures	\$14.08M	\$15.50M	\$1.42M	10.4%
Transfers out	\$564,300	\$797,950	\$231,012	43.4%
Total expenditures	\$61.45M	\$67.43M	\$5.97M	9.7%

General fund: fund balance

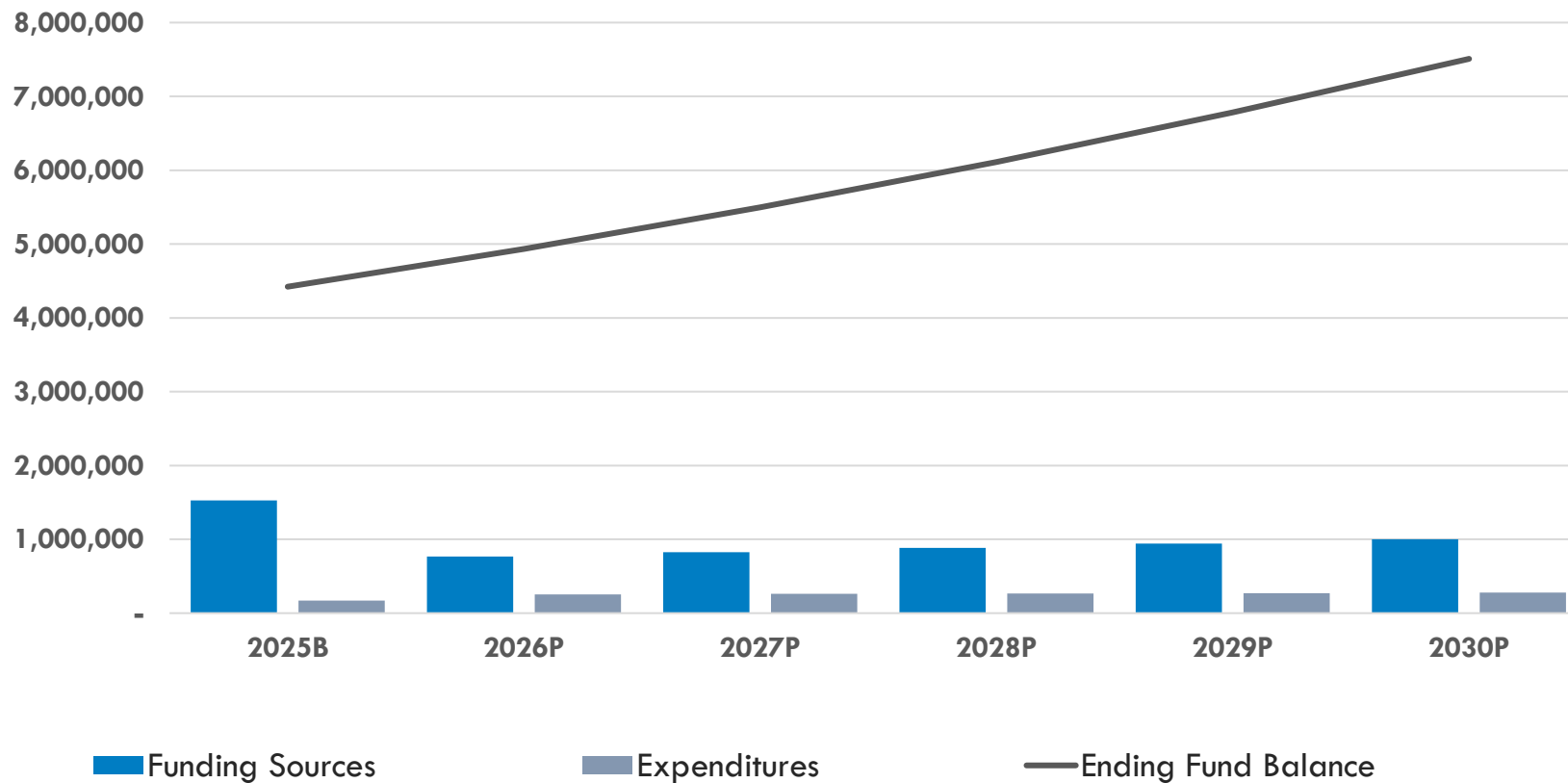




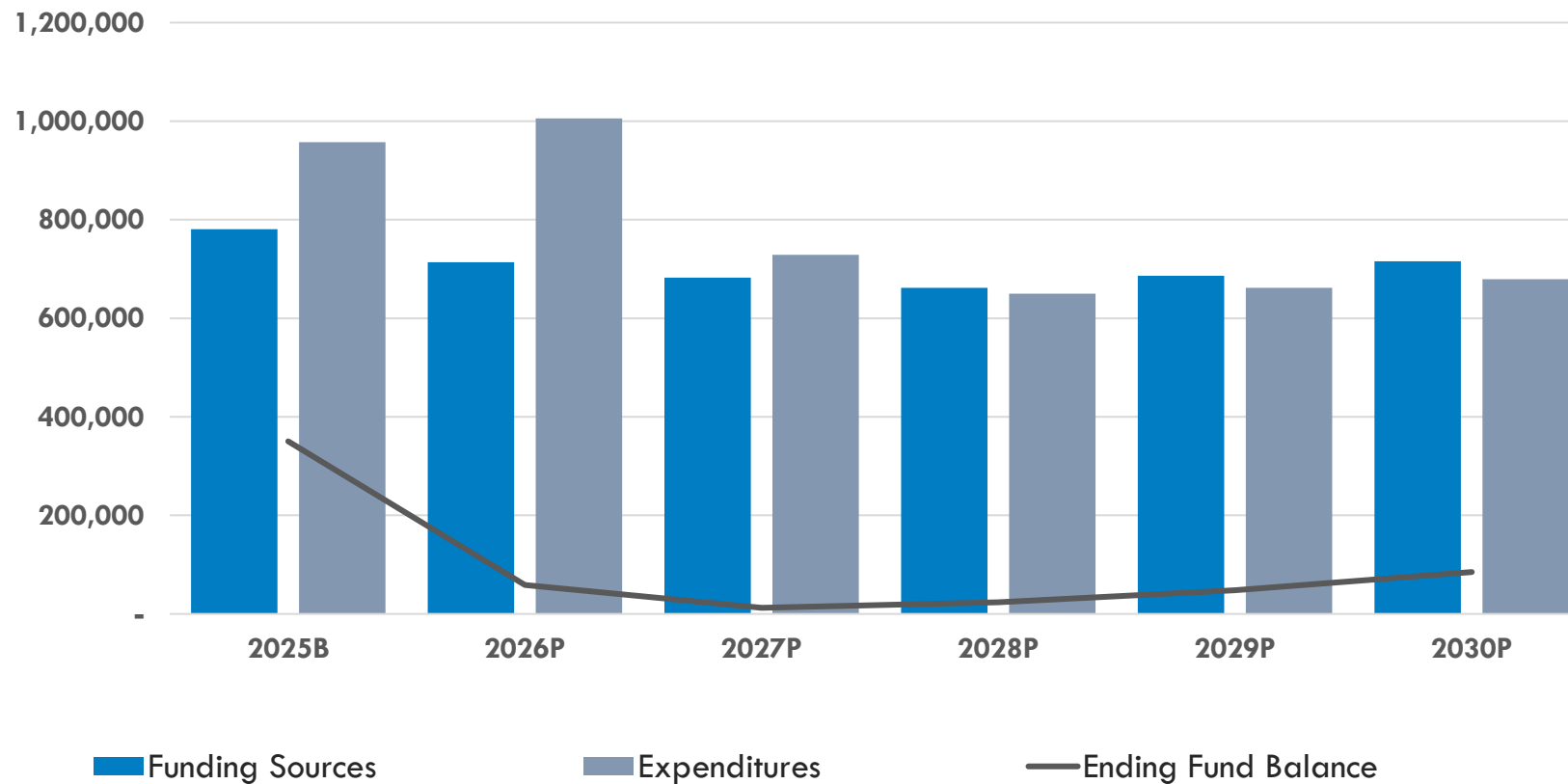
General fund



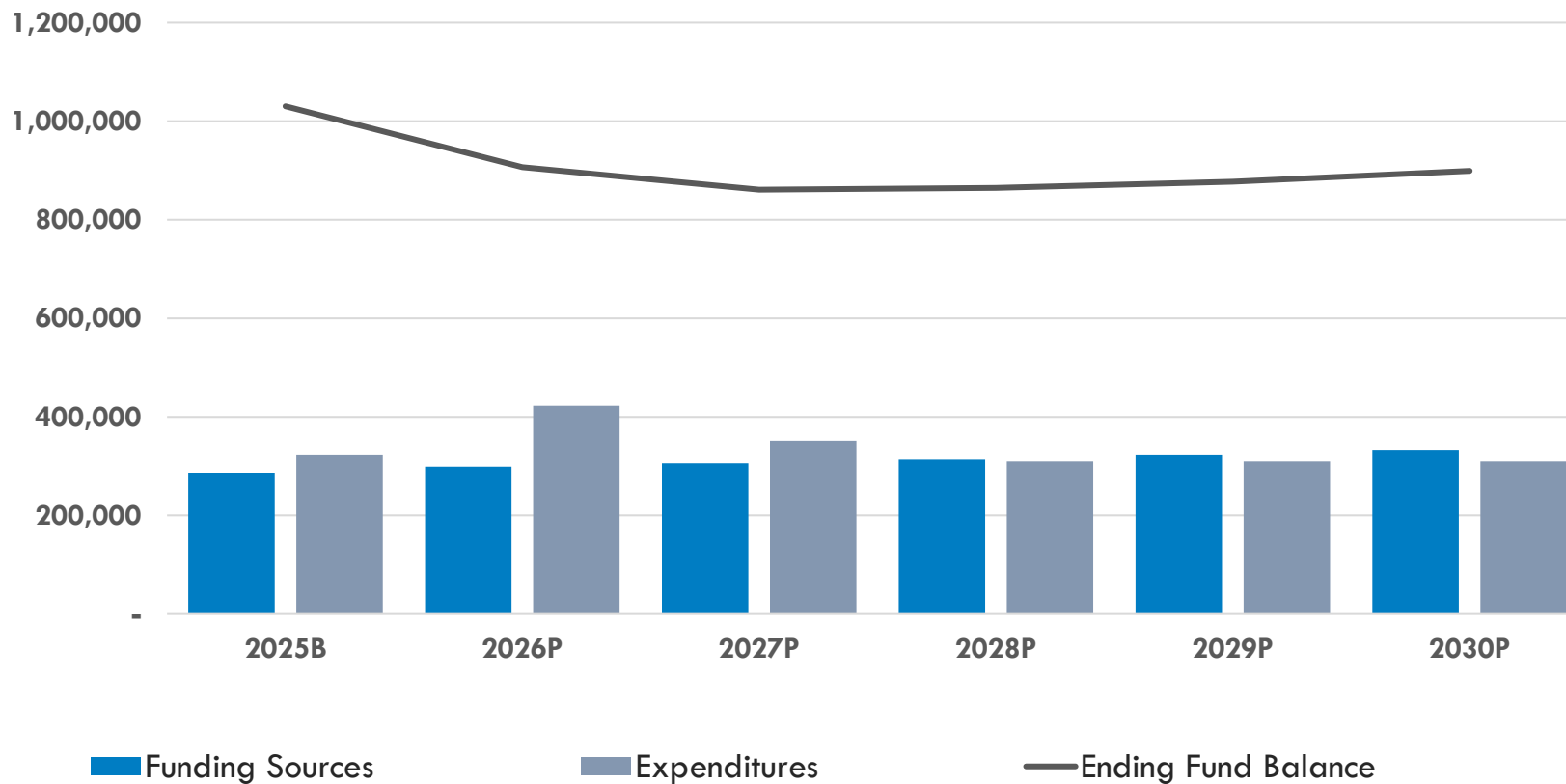
Economic development authority



Cable franchise fee fund

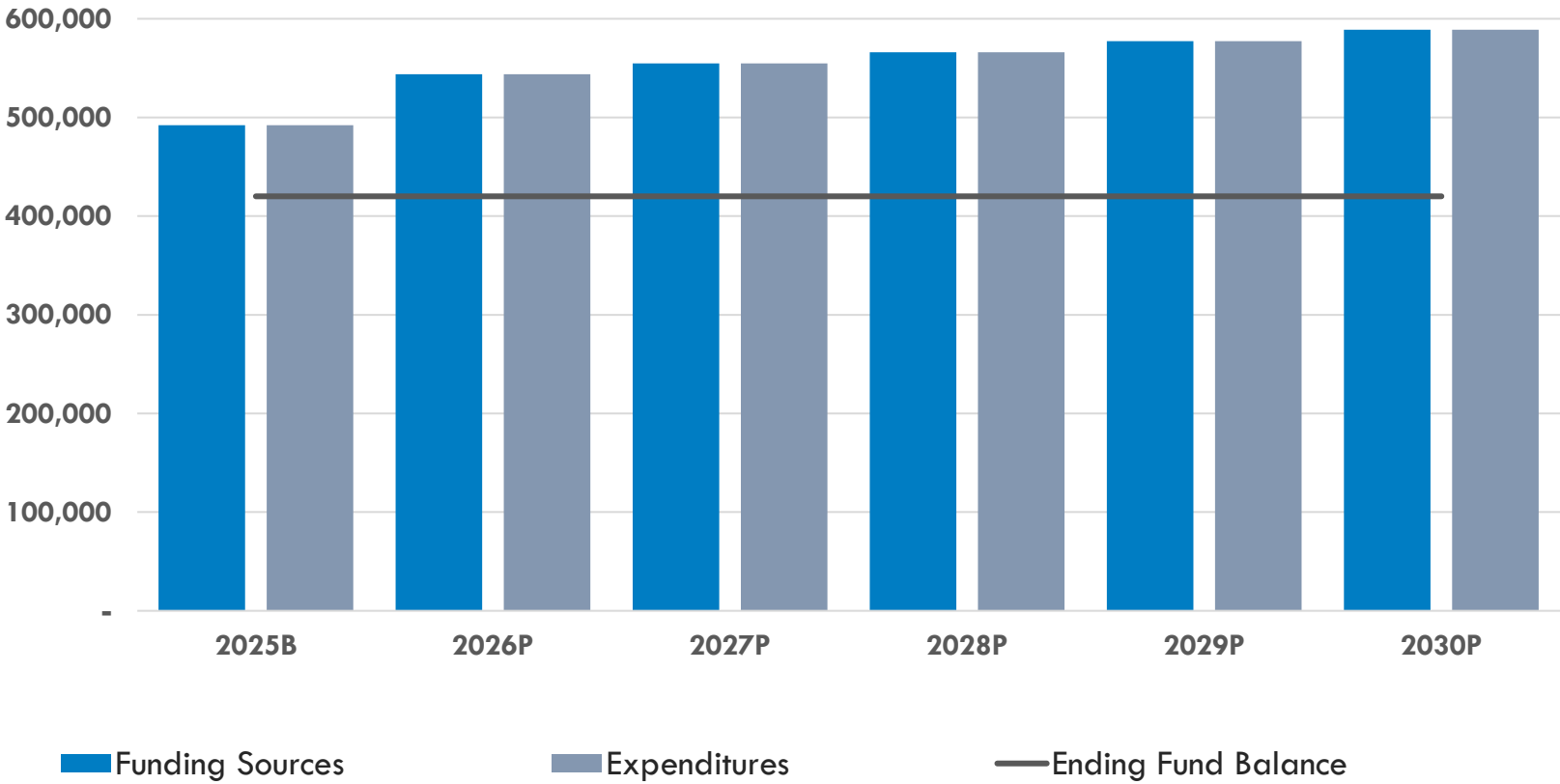


Forestry fund





Sustainability fund



FTEs

Department	Current	P2026	Total	OA2026
City manager	6	(2)	4	0
City clerk	3.5	(.5)	3	0
Communications	11	2	13	1
Community development	21	0	21	2
Finance	11	0	11	0
Fire	61	4	65	4
Human resources	5	0	5	0
Information technology	10	0	10	0
Parks and recreation	20	0	20	0
Police	106	.2	106.2	0
Public works	80	0	80	0
Strategic initiatives	4	1	5	1
Total	338.5	4.7	343.2	8

Proposed 2026 Tax Levy

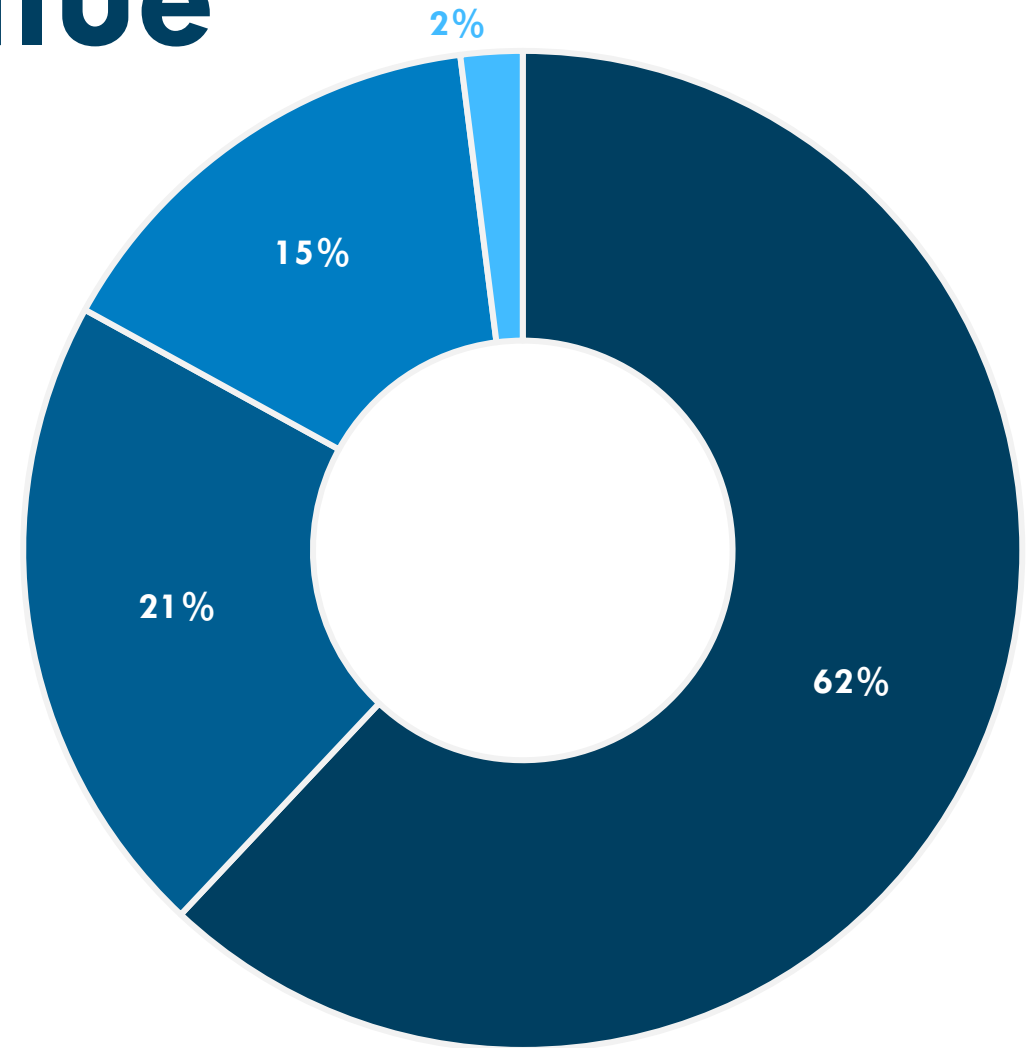
	2025	2026	Change	Change % (Previous Year)	Change % (of Total Levy)
Total City Levy	52,886,987	57,711,623	4,824,636	9.1%	8.9%
EDA Levy	1,500,000	700,000	(800,000)	(53.3%)	(1.5%)
Total City + EDA Levy	54,386,987	58,411,623	4,024,636	7.4%	7.4%

Property tax and market value

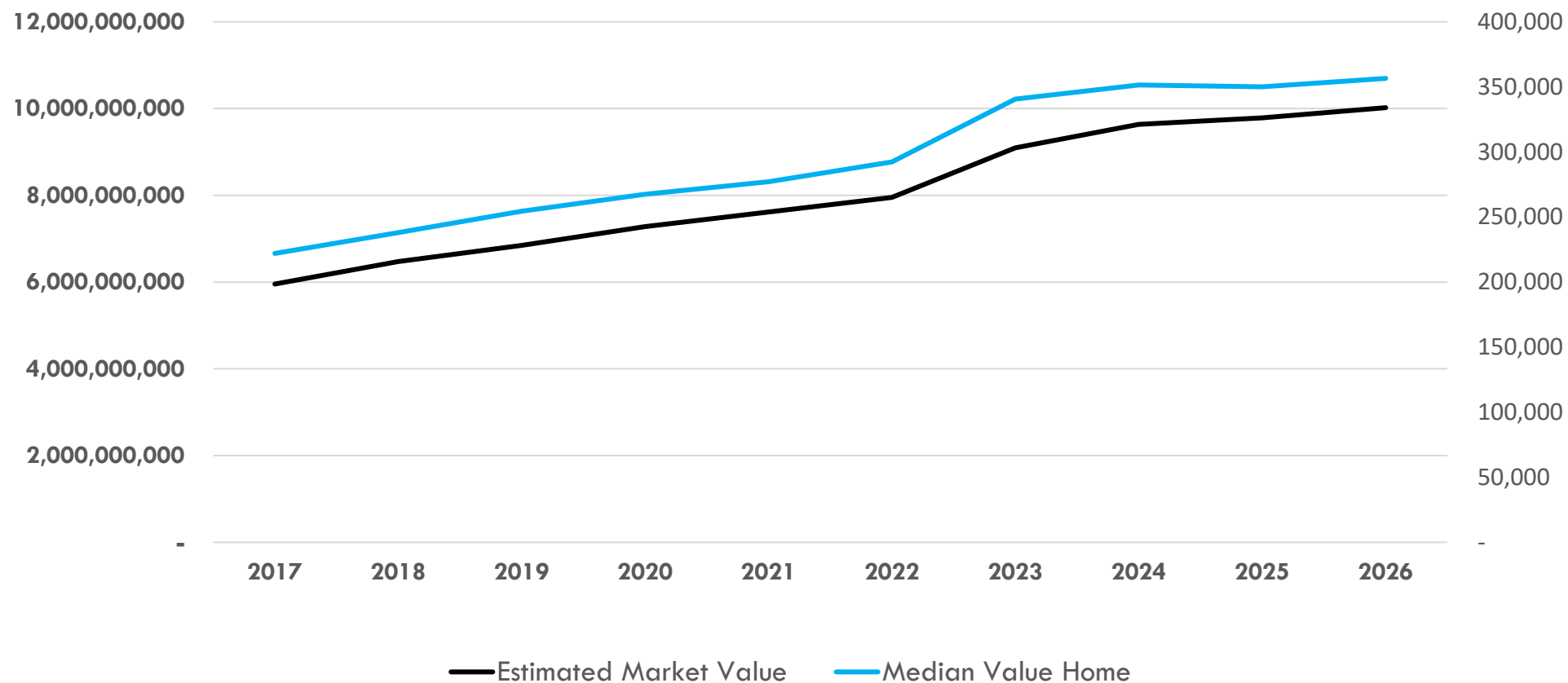
Category	2022	2023	2024	2025	2026P
Property Tax % Increase	4.8%	14.5%	7.63%	7.06%	7.40%
City Tax Rate	43.054%	42.374%	42.503%	45.806%	48.761%
Estimated Market Value	\$7.95B	\$9.09B	\$9.63B	\$9.74B	\$10.02B
Median Home Value	\$292,400	\$341,100	\$351,150	\$349,800	\$356,500

Taxable market value

■	Residential	62%
■	Commercial/Industrial	21%
■	Apartments	15%
■	Utility	2%



Estimated market value



Budget calendar

Department budget presentations	September 9
Discuss proposed 2026 fees and utility rate study	September 9
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Proposed EDA Levy

EDA investment fund balance comparison with a reduction to levy by \$1M annually in 2026 and beyond:

Budget Projection	2023	2024	2025	2026P	2027P
2023 Budget	\$1.0M	\$1.25M	\$1.5M	\$1.7M	\$1.75M
2026 Budget projections	\$1.0M	\$1.25M	\$1.5M	\$700k	\$750k

Youth center fund

