City Council Conference Meeting

August 10, 2026 at 5:30 p.m.
7071 University Avenue NE

Agenda

1. Employee Resources Update

2. 2027 Budget Discussion

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A solicitud, se darán adaptaciones para permitir que las personas con discapacidades o las que necesiten servicios de interpretación participen en los servicios, programas o actividades de la Ciudad de Fridley. Si necesita un intérprete o requiere ayudas auxiliares, comuníquese con la Ciudad al 763-572-3450 al menos cinco días hábiles de antelación para asegurar que se puedan hacer los arreglos.

Markii la codsado, adeegyo caawimaad ah ayaa la siin doonaa dadka naafada ah ama kuwa u baahan adeegga turjumaadda si ay uga qayb qaataan adeegyada, barnaamijyada, ama hawlaha magaalada Fridley. Haddii aad u baahan tahay turjubaan ama qalabka caawiya dadka naafada ah, kala xiriir Magaalada taleefankan 763-572-3450 ugu yaraan shan maalmood oo shaqo kahor, si loo hubiyo in qabanqaabada laguu sameeyo.

Raws li kev thov, yuav muaj kev pab tshwj xeeb rau cov neeg xiam oob qhab lossis cov uas xav tau kev pab txhais lus kom lawv tuaj koom tau nrog Nroog Fridley (City of Fridley service) cov kev pab cuam, cov kev kawm, los sis cov dej num sib txawv. Yog koj xav tau neeg txhais lus los sis xav tau lwm yam kev pab, thov hu rau lub Nroog ntawm 763-572-3450 kom tsis pub tsawg tshaj tsib hnub ua hauj lwm ua ntej, xwv kom peb thiaj li npaj tau rau koj raws li lub sij hawm ntawv.

AGENDA REPORT

Meeting Date: August 10, 2026
Meeting Type: City Council Conference
Submitted By: Becca Hellegers, Employee Resources Director
Title: Employee Resources Update

Background

Employee Resources will provide an update on Personnel.

Recommendation

Attachments and Other Resources

Vision Statement
We believe Fridley will be a safe, vibrant, friendly, and stable home for families and businesses.

AGENDA REPORT

Meeting Date: August 10, 2026
Meeting Type: City Council Conference
Submitted By: Joe Starks, Finance Director
Title: 2027 Budget Discussion

Background

City Council and staff will discuss the 2027 Proposed Budget including assumptions being used for the budget development process, revenue and expenditure data received thus far, preliminary tax capacity figures, and outstanding items still being finalized.

Recommendation

Attachments and Other Resources

1. 08-10-2026 Proposed 2027 Budget

Vision Statement

We believe Fridley will be a safe, vibrant, friendly, and stable home for families and businesses.

2027 BUDGET

AUGUST 10, 2026

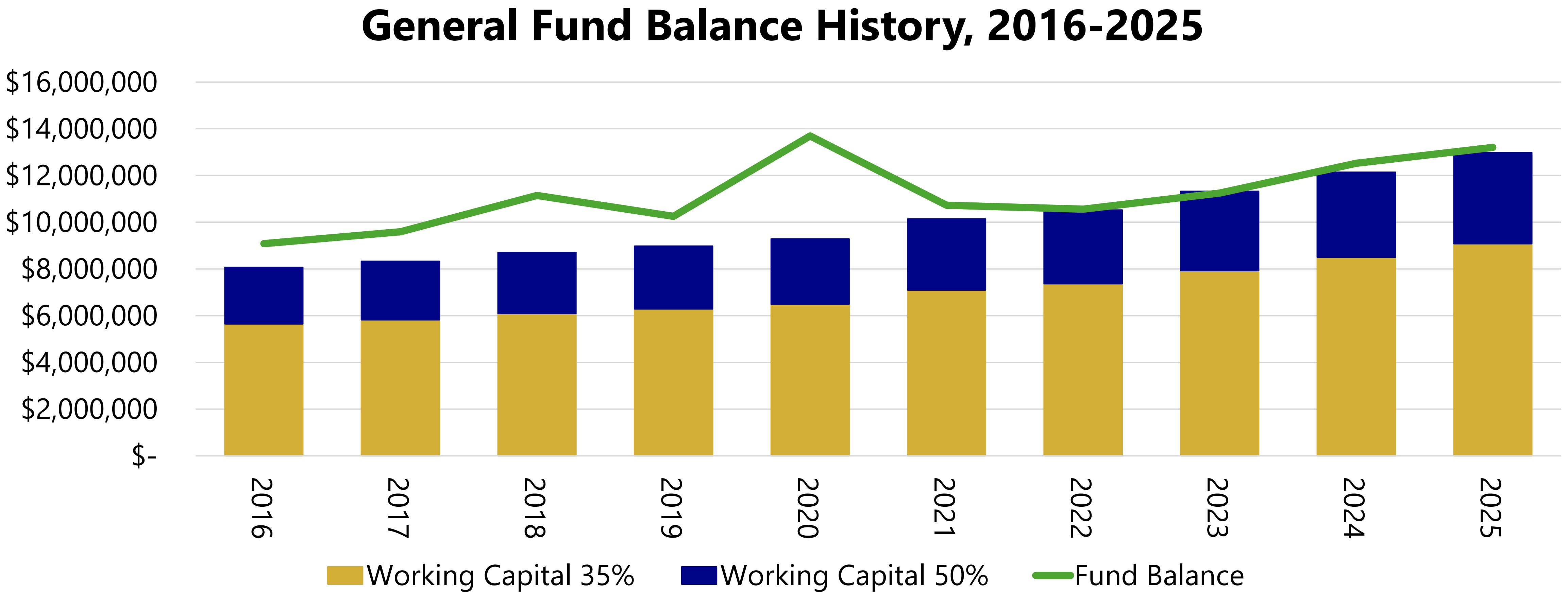
BUDGET OBJECTIVES/PRINCIPLES

- Fund excellent public services at a fiscally responsible cost
- Stabilize ongoing revenues and expenditures and minimize/eliminate unanticipated variances
- Maintain structural balance and appropriate cash/fund balance levels
- Make best use of existing City resources
- Set levy in conjunction with long-term plans to mitigate "peaks and valleys" and "pushing it down the road"
- Provide accountability and transparency throughout the budget process
- Conservative budgetary approach

ECONOMIC EXPECTATIONS

- **State Forecast**
  - The State's projected budget surplus for FY 2026-27 is currently $3.7 mil., down from $17.5 billion 2 years ago, but up $1.3 bil. from November estimates
    - Projected balance for FY 2028-29 of $377 mil.
    - Significant structural imbalance moving forward
- **Local Government Aid (LGA)**
  - 2026 reduction of $302k after 2025 certified at $265 increase
  - LGA is certified for 2027 at $1,902,552 ($5,920 increase from 2026)

GENERAL FUND, BALANCE HISTORY



GENERAL ASSUMPTIONS

- Contractual obligations for wages and benefits
  - Negotiation of 4 Public Safety labor agreements (market adjustments in 2026)
  - Planned progression through the City's compensation plan and market adjustments/reclassifications
- Health Insurance
  - 2027 increase negotiated not to exceed 15% (as part of 0% for 2026)
- PERA, Payroll Taxes, Paid Family Medical Leave (% unchanged)
- Worker's Compensation Insurance from League of MN Cities (LMC) budget guide
- Property/Liability Insurance from LMC budget guide
- Removal of one-time expenditures and revenues from 2026 budget to the 2027 budget

Major Budget Assumptions, Expenditures	
Category	**Adjustment**
Salaries and Wages (not including step movement)	3.0%
Health Insurance	15.0%
Worker's Compensation	9.0%
Property/Liability Insurance	11.0%

TAXABLE MARKET VALUE (EMV) BY PROPERTY CLASS

ANOKA COUNTY

TAXABLE MARKET VALUE COMPARISON as of 07/27/2026

	2026 Pay 2027 Market Value	2026 Pay 2027 New Construction	2026 Pay 2027 MV w/o New Construction	2025 Pay 2026 Market Value	% of CHANGE from 2026 to 2027 w/o NC
CITY OF FRIDLEY					
AG	0	0	0	0	0%
RESID	2,394,006,359	4,691,400	2,389,314,959	2,282,822,134	4.7%
APTS	642,768,927	10,516,200	632,252,727	600,551,077	5.3%
C/I	1,350,595,900	7,580,800	1,343,015,100	1,308,539,300	2.6%
PP + UTILITY	90,491,700	0	90,491,700	62,194,100	45.5%
TOTALS:	4,477,862,886	22,788,400	4,455,074,486	4,254,106,611	4.7%
Average Residential Value	274,542			261,852	4.8%
Median Residential Value	292,679			277,616	5.4%

FISCAL DISPARITIES

- Fiscal disparities program (enacted in 1971) is a system for partial sharing of commercial-industrial (C/I) property tax base among all jurisdictions within the 7-county metropolitan area
  - Each taxing jurisdiction annually contributes 40% of the growth in its C/I tax base
  - Met Council and Department of Revenue
- Each municipality then receives (is distributed) a shared of the areawide contributed tax base and it is based on its share of the area's population and its tax base per capita
- Fridley has historically been one of the largest net contributors program-wide
- According to very preliminary figures, the City may be contributing less for Assessment Year 2026/Payable Year 2027

FISCAL DISPARITIES

- 2027 Contribution (lowers tax capacity or tax base) of approximately $9,503,527
  - *Decrease* of approximately $1,339,083 from 2026, or 12.35%
    - Increase for 2026 was approximately $994,160, or 10.09%

- 2027 Distribution (lowers levy amount) of approximately $3,234,441
  - Increase of approximately $223,036 from 2026, or 7.41%
    - Increase for 2026 was approximately $139,884 for 2026, or 4.87%

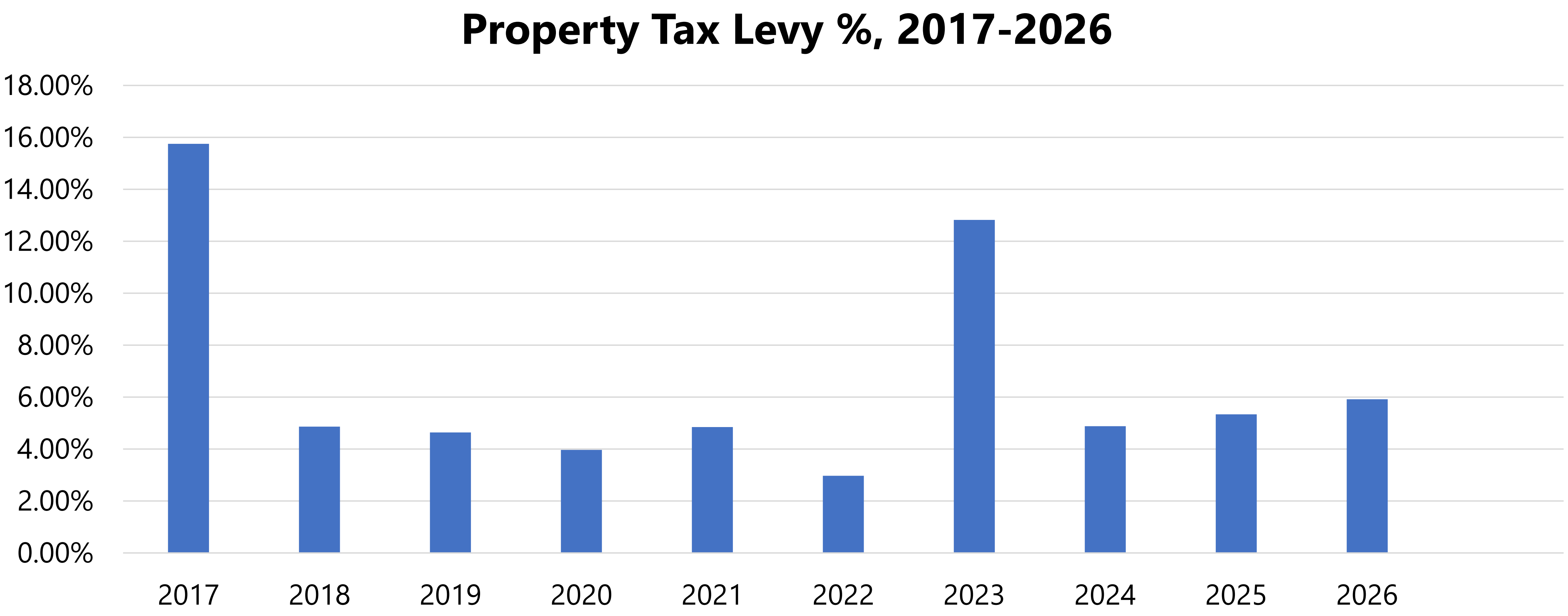
FISCAL DISPARITY
CONTRIBUTION TAX CAPACITY
PAYABLE 2027

COUNTY	PAYABLE 2026 INITIAL CONTRIBUTION	PAYABLE 2027 INITIAL CONTRIBUTION	DIFFERENCE	% CHG
ANOKA	$58,378,363	$56,829,700	($1,548,663)	-2.653%
CARVER	$15,993,767	$17,321,196	$1,327,429	8.300%
DAKOTA	$81,961,241	$86,867,165	$4,905,924	5.986%
HENNEPIN	$298,693,920	$290,643,336	($8,050,584)	-2.695%
RAMSEY	$88,229,813	$86,670,964	($1,558,849)	-1.767%
SCOTT	$34,206,388	$34,811,427	$605,039	1.769%
WASHINGTON	$44,553,352	$45,493,332	$939,980	2.110%
TOTAL	**$622,016,844**	**$618,637,120**	**($3,379,724)**	-0.543%

Prepared by Administrative Auditor, Anoka County 06/12/2026

City of Fridley

PROPERTY TAX LEVY TREND



OUTSTANDING ITEMS

- Secondary review of personnel budgeting.
- Forecasted external revenue amounts.
- Allocation percentage of LGA between capital project funds and general fund.
- Consideration of any new budget requests.

NEXT STEPS AND OTHER CONSIDERATIONS

2027 Budget

UPCOMING MEETINGS

August 10	**Discuss 2027 Budget/Property Tax Levy with City Council**
August 24	Discuss 2027 Budget/Property Tax Levy with City Council and 2027-2031 Capital Investment Program (CIP)
September 14	Adopt the Proposed 2027 Budget and Property Tax Levy
	Adopt Final Housing and Redevelopment Authority Property Tax Levy
Looking Ahead…	
December 14	Truth-in-Taxation Hearing

THANK YOU! QUESTIONS?