Meeting Announcement and Agenda

City Council Workshop
City Council Chambers, 315 West Fourth Street
Red Wing, MN
Date: Monday, August 3, 2026
Time: 5:30 PM

1. **Call to Order**
2. **Workshop Items**
   2.A. City Council 2027 Preliminary Operating Budget
3. **Adjournment**

Accommodations for signing interpreter, Braille, large print, etc. can be made. Call City Hall at 385.3600 seven days prior to the need. Hearing assistance devices are available during meetings.

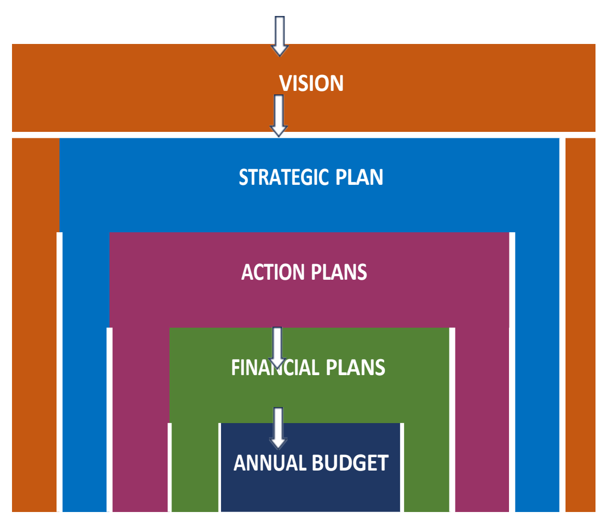
CITY COUNCIL 2027 BUDGET WORKSHOP STAFF REPORT

To: Mayor and City Council Members
From: City Council Administrator & Finance Department Staff
Meeting Date: August 3, 2026
Agenda Item: City Council Preliminary 2027 Budget Workshop

PURPOSE:
The purpose of the Preliminary 2027 Budget Workshop is to provide a dedicated opportunity for the Mayor and City Council to review, discuss, and provide input on the preliminary operating budget as proposed by staff. This workshop will focus primarily on the General Fund; however, it also includes information on other specified funds critical to the City's operations and service delivery. City staff will present preliminary budget assumptions, expenditure projections, and revenue forecasts to facilitate an open discussion. City Council input and direction are specifically requested on the proposed preliminary General Fund budget and the preliminary property tax levy, to ensure alignment with community priorities and long-term financial sustainability.

ATTACHMENTS:
Exhibit A – 2027 General Fund Revenue by source
Exhibit B – 2027 General Fund Expenditure Breakdown by function

BACKGROUND:
The City of Red Wing's preliminary budget is shaped by the needs of the community. The budget serves as both a financial plan and a policy document. As a financial plan, it outlines the City's anticipated revenues and expenditures for the coming year, detailing how resources will be allocated to accomplish specific objectives.



As a policy document, the budget establishes the City's long-term direction by translating community priorities and strategic goals into funding decisions. A well-developed budget reflects a deliberate and continuous process that aligns available resources with the City's needs, vision, and priorities.
The budget is a foundational document that guides nearly every aspect of City operations. It

determines how municipal funds are collected and spent each year and ensures that essential services and obligations are fulfilled. The primary purpose of the budget is twofold:

(1) allocate the funds necessary to meet the immediate needs of the community; and
(2) implement the City's long-term vision, priorities, and strategic goals.

Essential community services include a wide range of responsibilities, such as law enforcement, fire protection, emergency medical services, street maintenance, water and sewer services, waste collection and recycling services. City staff are also responsible for regulatory activities through the community development department, including building inspections, code enforcement, and economic development activities. City staff are also responsible for capital expenditures, and the preliminary budget includes investments in public infrastructure related to buildings, parks, equipment, utility systems, and debt service obligations related to these expenditures.

To support these services and responsibilities, the City relies on a combination of revenue sources, including property taxes, intergovernmental aid, and user fees. One of the core objectives of the annual budget process is to maintain long-term fiscal stability. This means developing a budget that addresses current service needs without compromising the City of Red Wing's ability to meet future obligations or respond to unforeseen challenges.

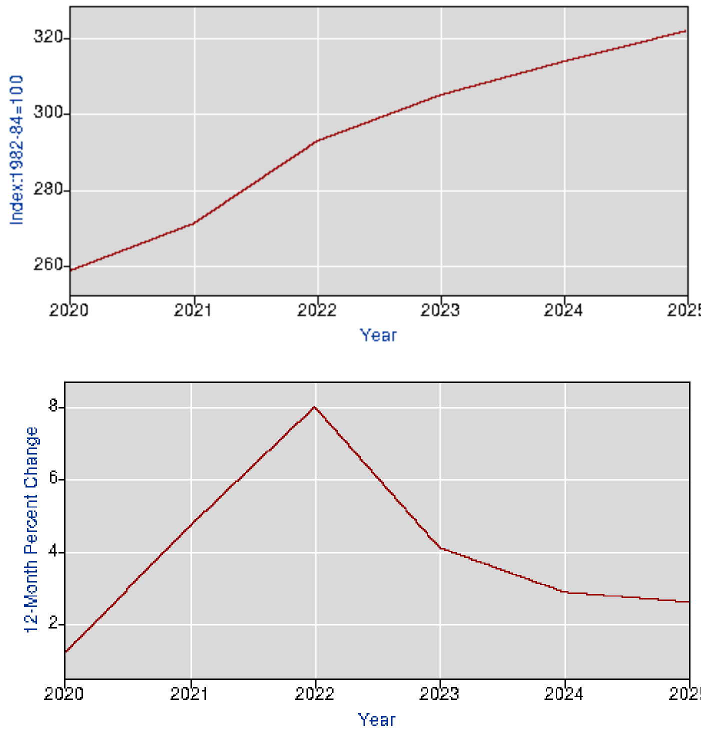
A key consideration in budget development is how best to allocate limited resources in a way that is both fiscally responsible and equitable, balancing diverse community interests, service demands, and state-mandated requirements. The City's budget process is a continuous, annual cycle consisting of five key phases: preparation, approval, implementation, monitoring, and audit.

1. **Preparation**: Budget development typically begins early in the year with the establishment of a budget calendar. City departments submit funding requests based on service needs, operational goals, and strategic priorities. Staff compile these requests into a draft budget for City Council review and discussion.
2. **Approval**: Following multiple workshops and public meetings, the City Council adopts a preliminary property tax levy by the state-mandated deadline in September. Final approval of the budget and levy occurs in December following a Public Hearing.
3. **Implementation**: Once adopted, the budget serves as the City's official financial plan for the fiscal year. Departments operate within their approved budgets, carrying out programs and services in accordance with Council direction and community needs.
4. **Monitoring**: Throughout the year, City staff monitor revenues and expenditures to ensure financial performance aligns with the adopted budget. Financial reports are prepared regularly and shared with the City Council to track progress and identify any necessary adjustments.
5. **Audit**: At the end of the fiscal year, an independent audit is conducted to verify the accuracy of financial records, ensure compliance with regulations, and evaluate internal controls. The audit results are presented to the City Council and help inform future budget planning and financial management practices.

As in previous years, the 2027 preliminary budget includes familiar budgetary challenges. Some of these challenges include heightened uncertainty on federal and state funding, and apprehension about geopolitical events and tariffs impacting the price of raw materials, fuel, and other costs.

Inflation directly affects the cost of providing public services and the purchasing power of employee wages. As a result, many cities consider the Consumer Price Index (CPI), published by the U.S. Department of Labor, when determining annual cost-of-living adjustments (COLA). The CPI measures the average change over time in prices paid by consumers for goods and services, providing a widely recognized benchmark to help ensure employee compensation remains competitive and keeps pace with increases in the cost of living.

Consumer Price Index

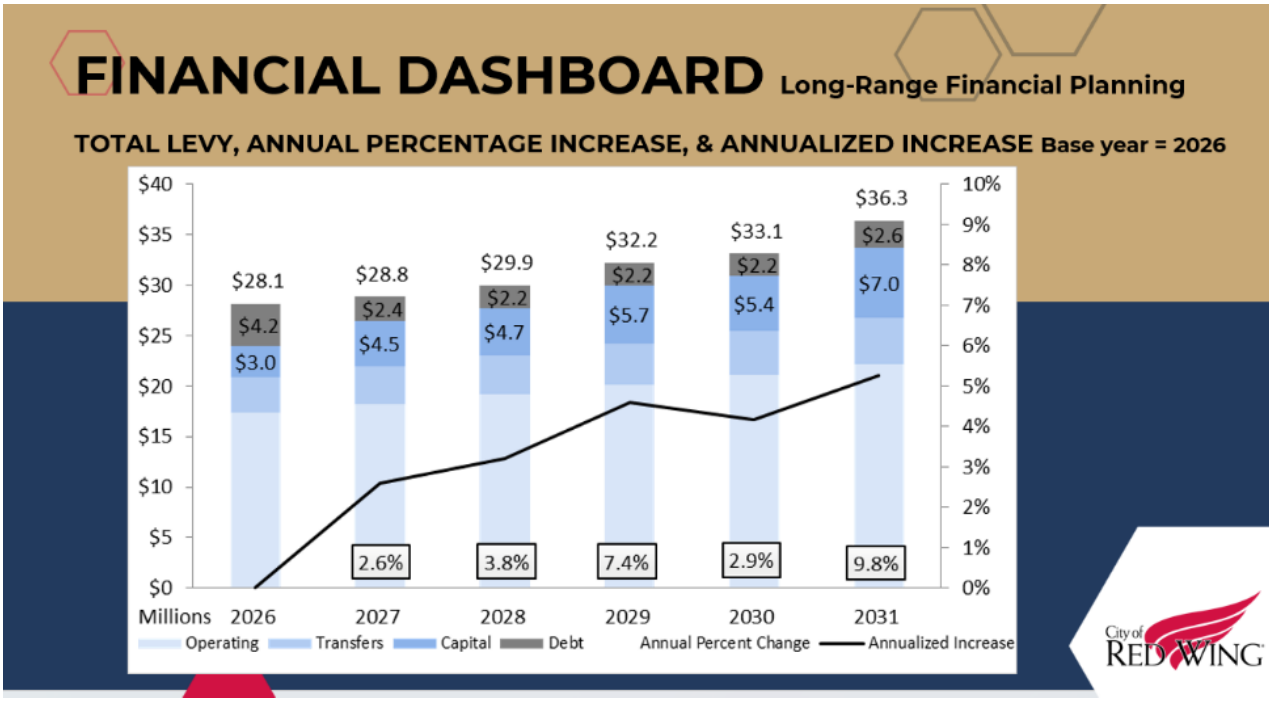


City staff participated in a rating call with Moody’s on July 21st, and we learned earlier this week that Moody’s has confirmed a credit rating of Aa2 for the City of Red Wing. The Aa2 rating is very strong rating for a community with our population and indicates a stable local economy, strong financial position, and strong financial management. The credit rating was conducted in preparation for the upcoming bond issuance in early August for the 2026 & 2027 street reconstruction projects. Additional information on debt service is provided later in this report.

Summary of the Capital Investment Program (CIP) Workshop

The Capital Investment Program is an important part of General Fund expenditures. Approximately 15% of the preliminary 2027 levy ($4,425,000) is currently dedicated to capital investments. Following the City Council's CIP workshop in June, staff became aware that comments made during the presentation may have unintentionally left some with the impression that staff was recommending a 5% annual levy increase each year from 2027 through 2031. Staff apologizes for any confusion or misunderstanding that may have resulted.

The misunderstanding stemmed from a financial forecasting slide and staff's response to a Council Member's question about the black line on the graph. Staff explained that the line represented the annualized levy increase needed to move from the 2026 levy to any future year shown on the graph. As an example, staff noted that an average annual increase of approximately 5% would be required to grow the levy from $28.1 million in 2026 to the forecasted $36.3 million in 2031. The intent was to explain how the graph should be interpreted rather than recommend a 5% annual levy increase.



A more complete explanation would have emphasized that the long-range financial forecast incorporated the preliminary 2027–2031 Capital Improvement Plan (CIP), which had not yet been finalized. The draft CIP included significant growth in General Fund-supported capital expenditures from approximately $3.0 million in 2026 to $7.0 million in 2031. Through the CIP development process, staff will continue to evaluate, prioritize, phase, and, where appropriate, defer capital projects to develop a fiscally sustainable plan that aligns with the City's long-term financial goals. As a result, the final CIP is expected to ***reduce*** future General Fund capital spending from the preliminary forecast, which will in turn lower the projected levy needs reflected in the long-range financial model.

DISCUSSION – PROPOSED PRELIMINARY BUDGET:

The City's adopted levy for 2026 is $28,119,909. The proposed preliminary 2027 levy is $29,240,853. This represents ***an increase of 3.99% from 2026 to 2027*** to fund current service levels, previous and ongoing commitments, and strategic priorities that reflect the community's vision. The table on the following page provides more information on the proposed preliminary 2027 property tax levy.

The City of Red Wing's preliminary budget and levy represents what is required to pay for city services and is a starting point for budget discussions that must be completed by December 2026. It reflects the funding levels needed to:

- Deliver the current level of services to residents and businesses
- Fund prior and ongoing commitments (CIP, Debt Service, etc.)
- Continued efforts to move strategic plans and priorities forward

TOTAL CITY			PROPOSED	PROPOSED
	ACTUAL	PROPOSED	2027 V 2026	2027 V 2026
	2026	2027	VARIANCE ($)	VARIANCE (%)
PROPERTY TAXES - CURRENT	**$ 28,119,909**	**$ 29,240,853**	**$ 1,120,944**	**3.99%**
BREAKDOWN BY FUND				
GENERAL FUND	$ 20,928,479	$ 22,345,992	$ 1,417,512	6.77%
GENERAL FUND CIP	3,037,325	4,425,000	1,387,675	45.69%
TOTAL GENERAL FUND	23,965,804	26,770,992	2,805,187	10.48%
$6,135,000 G.O. St Recon 2026A	505,451	495,239	(10,212)	-2.02%
$8,525,000 G.O. Bonds 2016A	847,090	-	(847,090)	-100.00%
$6,740,000 G.O. Bonds 2017A	836,380	-	(836,380)	-100.00%
$13,535,000 G.O. Bonds 2018A	1,965,183	1,952,108	(13,075)	-0.67%
$232,000 G.O. Tax Abatement	-	22,514	22,514	NA
TOTAL DEBT SERVICE	4,154,104	2,469,862	(1,706,757)	-40.54%
PROPERTY TAXES - CURRENT	**$ 28,119,909**	**$ 29,240,853**	**$ 1,120,944**	**3.99%**

Like other local government entities, the City of Red Wing continues to face a number of budget pressures that impact the cost of providing services to the community. These pressures include unfunded state and federal mandates, increasing costs for contracted services, geopolitical and inflationary impacts on goods and materials, rising wages and employee benefits, and the growing costs associated with maintaining and replacing aging infrastructure and facilities.

Minnesota law requires that municipalities certify their proposed preliminary levies on or before September 30 of each year. The Council is asked to provide additional feedback and direction for staff to prepare the maximum 2027 levy for adoption at the September 14 City Council meeting. City Council members will also have an opportunity to provide additional feedback at the Council meeting on August 24, 2026.

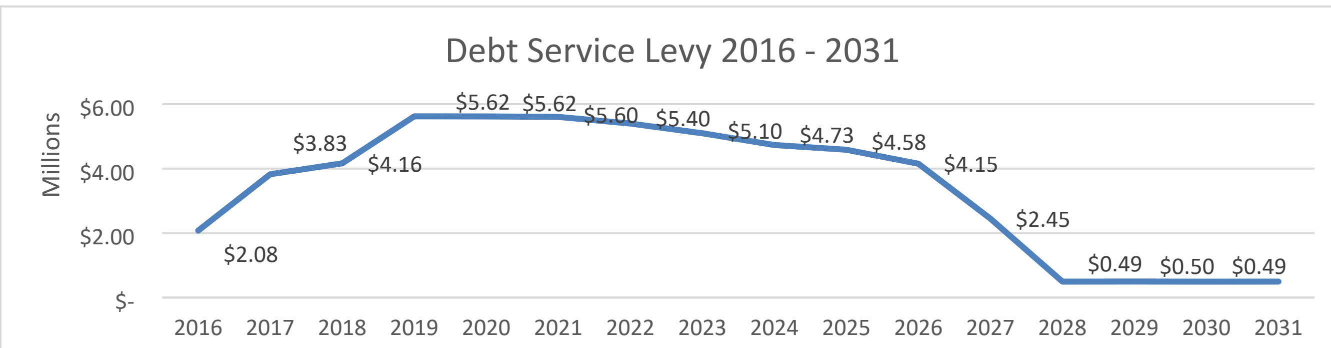
The proposed preliminary levy provides full funding for the proposed preliminary General Fund budget without the use of unassigned General Fund balance. The 2026 budget incorporated $945,410 of unassigned General Fund balance. This is a significant consideration as the proposed preliminary levy provides a net increase in revenues of $472,102 ($1,417,512 - $945,410) or 2.3% in resources to the General Fund for operating purposes. Similarly, the proposed preliminary levy provides a net increase in revenues of $175,534 ($1,120,944 - $945,410) or 0.6% in resources across all activities.

Property Valuations

Property values are determined annually by the Goodhue County Assessor and the Minnesota Department of Revenue (utility, railroad, and pipeline property) and are outside of the City's control. While changes in property values can affect individual property tax bills, they are separate from the City's annual budget and levy decisions. Valuation trends are important because they influence how the City's property tax levy is distributed among property owners. This is particularly true for our Xcel Energy as the City of Red Wing's single largest taxpayer. City staff continues to monitor tax valuations for key partners. As market values change, the share of taxes paid by individual properties may increase or decrease depending on how their value changes relative to other properties within the community. Information on valuations will be presented to the Council in future budget discussions.

Debt Service

Debt service on outstanding bonds is another important component of the annual levy. The debt service levy continues to decline significantly, and even with the new bond issuance in 2026 for street reconstruction projects, debt service will be reduced by approximately $1.7 million from 2026 to 2027. This reduction in debt service provides additional flexibility within the 2027 budget to address ongoing service level needs and fund capital improvement needs without raising the levy. Additional reductions in debt service requirements are also anticipated in 2028. The graphic below provides the anticipated debt service requirements if no additional General Fund debt is issued in future years.



Wages and Benefits

Personnel costs represent the largest component of the City's operating budget. Staff has included a preliminary cost-of-living-adjustment (COLA) of 3% for all employees in the proposed 2027 budget. The COLA of 3% for 2027 follows the approved COLA adjustments of 3% for 2025 and 4% for all employees in 2026. The combined impact of a proposed preliminary 3% COLA increase and annual step increase of 3.7% for all employees resulting in a real wage increase of 6.7% for most employees in 2027.

It is important to note that approximately 30% of the City's employees are currently at the top step of the pay plan and do not qualify for a step increase. Because of this, staff is recommending that the City engage a consulting firm for a class and compensation plan update in 2027. The most recent plan was conducted in 2023 and completed in 2024. Best practice is to conduct a pay and compensation plan update every 3-5 years to ensure that the existing pay plan is keeping up with the surrounding market. A total of $50,000 has been included in the preliminary budget for a class and compensation analysis.

The City Council also approved a contract with DDA/HR for a benefits analysis in 2026. The results of this report will be provided at the August 24 City Council workshop. The preliminary budget also reflects mandated cost increases for PERA (pension contribution), FICA (Social Security and Medicare taxes), and long-term disability insurance associated with the proposed preliminary 3% COLA.

Trending Wage Issues
Competitive compensation and pay equity is an important budgetary consideration for governmental units across Minnesota. General wage increases continue for all local governmental units in Minnesota, however they are projected to increase at a declining rate (see table below). As the local government labor market becomes increasingly competitive, class and compensation studies are recommended on at regular intervals in order to keep wages competitive in order to attract and retain employees. Many local governmental units are also making frequent wage adjustments for targeted jobs to keep up with recruitment and retention, market, and internal compression issues.

According to research by the Coalition of Greater MN Cities (CGMC), many cities are (1) modifying base pay structures by eliminating steps at the start of pay ranges and reducing the overall number of steps and (2) establishing higher pay ranges and grades for more experienced and senior employees, and (3) establishing non-base wage economic enhancements. Recent trends in general wage increases for local government employees in Minnesota is provided in the table below.

General Wage Increases
All MN Local Government

	2025		2026		2027		2028	
Mean	4.83%		4.98%		3.89%		3.51%	
Median	4.00%		4.00%		3.75%		3.25%	
Ranges	#	%	#	%	#	%	#	%
.00-.99%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
1.00-1.99%	1	0.64%	1	0.63%	1	0.99%	0	0.00%
2.00-2.99%	10	6.41%	5	3.14%	6	5.94%	4	9.52%
3.00%+	145	92.95%	153	96.23%	94	93.07%	38	90.48%

\# - Number of responding Minnesota state, county, and municipal governmental units.
Source: Coalition of Greater Minnesota Cities Compensation & Labor Negotiations Trends.

Collective bargaining agreements (CBA's) with each of Red Wing's bargaining units will expire at the end of 2026. City staff anticipates that the collective bargaining process will begin the process in early September. One recent change in the upcoming bargaining process is the addition of ten (10) Red Wing Public Library employees to the existing AFSCME clerical unit.

Personnel Additions
While several personnel additions have been proposed for 2027, no new FTE positions have been incorporated into the proposed preliminary budget. These position requests include:

- **2 FTE Firefighter/Paramedics** – 1 FTE Firefighter/Paramedic position was recently hired in 2026, and Chief Warner requested two additional FTE positions for 2027. No data is currently available on how the additional position may impact the Fire Department overtime budget.
- **Red Wing Police Department Social Worker** – This proposed position is proposed to be funded entirely by grant. If successful, the grant will provide 23 months of payroll for this position with no requirement to maintain the position after the grant terminates.

- **Community Development** – Staff has identified several opportunities to increase Community Development staffing levels without a direct impact to the General Fund levy. One need that has been identified is related to code enforcement. The Department of Employment and Economic Development (DEED) Energy Transition Office Community Energy Transition (CET) grant can also be utilized to provide funding for experienced and professional consulting services through 2027. Red Wing has approximately $200,000 remaining, which we plan to utilize for specialized economic development and marketing assistance. This approach provides time for a thoughtful approach to address the Department's long-term needs.

Risk Management/Insurance Renewals
Additional impacts to the preliminary 2026 budget include a conservative 11% increase to the premiums for individual health reimbursement arrangements. Recent information from Intellicents suggests that the group health plan renewal may be budgeted at 5% for current members. Final insurance renewal rates will not be available until later this fall and they, along with any direction from the Council at its August 24 Workshop and Benefits Analysis, may result in future adjustments to the proposed preliminary budget.

An additional 5% is currently budgeted for property, casualty, and workers' compensation coverage based on projections from the League of Minnesota Cities Insurance Trust (LMCIT). An increase of 5% has also been included in the preliminary budget for insurance coverage in the following categories:
- Accidental death and dismemberment insurance
- Dental insurance
- Life insurance
- Vision insurance

Maintaining Infrastructure
The City continues to prioritize the maintenance and preservation of its public infrastructure to protect taxpayer investments and extend the useful life of community assets. The General Fund contribution to the City's capital investment plan is preliminary budgeted at $4,425,000.

General Fund Unassigned General Fund Balance
The proposed preliminary operating and capital budgets for the General Fund are balanced without the use of unassigned General Fund balance. This is a shift from recent budgetary practices since 2019 and consistent with best management practices.

The table below presents the budgeted use of unassigned General Fund balance to support the General Fund's operating and capital budgets between 2019 and proposed 2027.

BUDGETED USE OF UNASSIGNED GENERAL FUND FUND BALANCE FOR OPERATIONS AND CAPITAL								
2019	2020	2021	2022	2023	2024	2025	2026	2027
$ 2,456,865	$ -	$ 519,314	$ 540,317	$ 1,307,570	$ 1,679,018	$ 1,091,977	$ 945,410	$ -

Ambulance Fund

Due to a healthy fund balance in the General Fund, staff is proposing City Council consideration of utilizing $3.2 million of unassigned fund balance from the General Fund for a one-time transfer to address the Ambulance Fund deficit. This proposed use of unassigned fund balance does not impact the proposed preliminary levy for 2027. Based on the 2025 audit and 2026-2027 budgetary projections, the estimated unassigned fund balance for year-end 2027 will remain above the adopted policy goal of 65% by $2,727,789. Based on historical trends of deficit spending in the Ambulance Fund for the past five years, the use of unassigned fund balance from the General Fund is fiscally responsible and timely.

General Fund Transfers Out

The Transfers expenditure budget currently includes $3,200,000 for a one-time transfer to the Ambulance Fund. This will leave a deficit balance of $1,200,000 in the Ambulance Fund, which is equal to the City's default judgment against Expert Billing. Under Minnesota law, a party that has received a judgment may take steps to enforce the judgment "at any time within ten years" after the judgment has been entered. Staff is requesting additional Council direction and feedback on this proposed transfer from the General Fund to the Ambulance Fund.

General Fund Contingency

The General Fund Contingency Budget (Fund 49200) includes a contingency budget for 2027 of $200,000 to mitigate budgetary risk and can be used to fund unforeseen events and expenditures. This line item provides additional flexibility during the budget process. The adopted 2026 budget also included a General Fund Contingency Budget of $200,000.

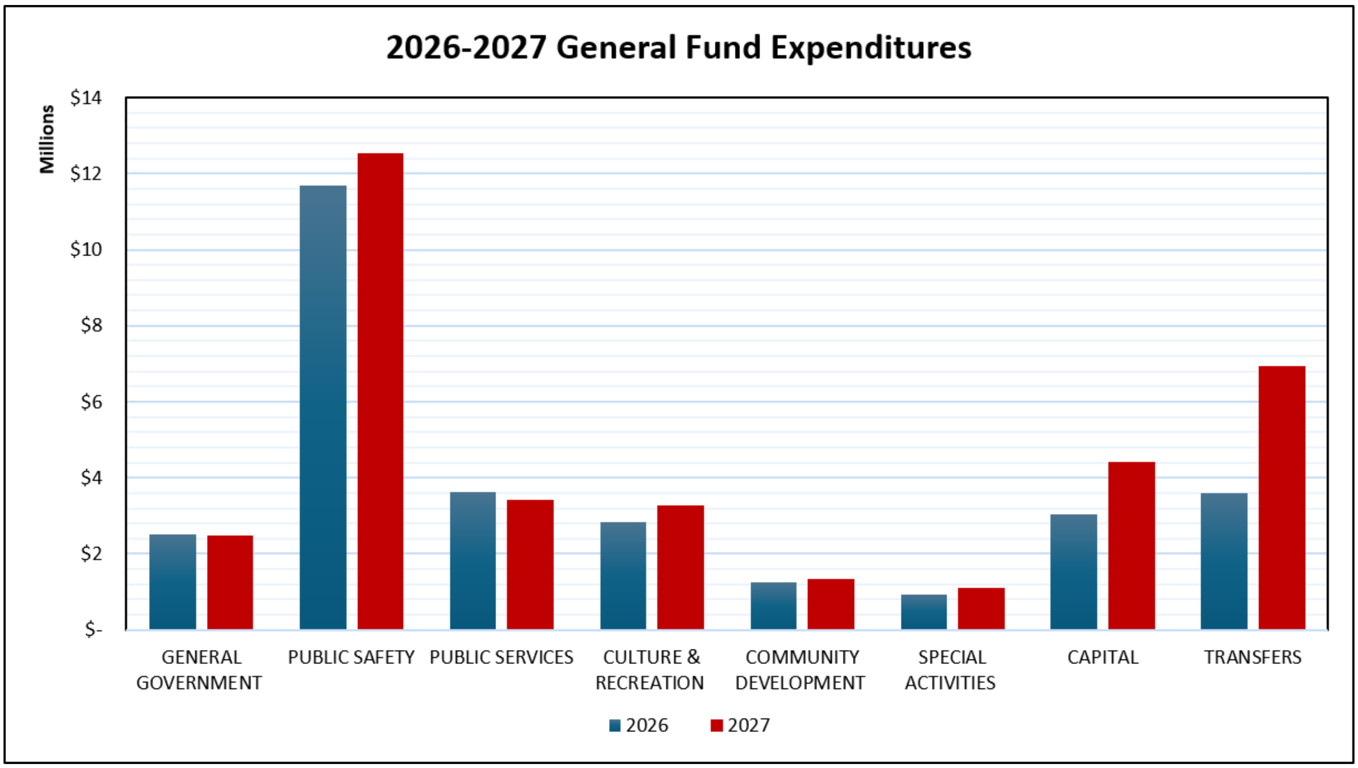
Total General Fund Expenditures

The following tables include the total General Fund expenditures for the proposed preliminary 2027 budget and levy utilizing two different formats. The first table includes total General Fund expenditures with the proposed one-time transfer of the $3.2 million of unreserved fund balance from the General Fund to the Ambulance Fund.

The second table is a "Normalized" format that <u>*excludes*</u> the $3.2 million one-time transfer to the Ambulance Fund and the $1,387,675 increase in the General Fund's contribution to capital/infrastructure renewal and replacement. The "Normalized" format is provided to better explain the long-term impact to the operating budget. This demonstrates that the proposed preliminary 2027 operating expenditure represents a 4.81% increase over 2026.

As a reminder, the General Fund Expenditures are not the same as the proposed preliminary budget. The proposed preliminary levy of $29,240,853 for 2027 represents ***an increase of 3.99%.*** The total General Fund expenditures represent the entire operating budget for day-to-day government services, while the proposed preliminary levy is only the portion of property tax revenue requested to fund current service levels, ongoing commitments, and strategic priorities and other operations.

GENERAL FUND	ACTUAL 2026	PROPOSED 2027	PROPOSED 2027 V 2026 VARIANCE ($)	PROPOSED 2027 V 2026 VARIANCE (%)
GENERAL GOVERNMENT	$ 2,514,537	$ 2,475,853	(38,684)	-1.54%
PUBLIC SAFETY	$ 11,694,078	$12,539,819	845,741	7.23%
PUBLIC SERVICES	$ 3,628,165	$ 3,425,184	(202,981)	-5.59%
CULTURE & RECREATION	$ 2,849,399	$ 3,265,371	415,972	14.60%
COMMUNITY DEVELOPMENT	$ 1,241,229	$ 1,333,474	92,244	7.43%
SPECIAL ACTIVITIES	$ 933,657	$ 1,091,358	157,701	16.89%
CAPITAL	$ 3,037,325	$ 4,425,000	1,387,675	45.69%
TRANSFERS	$ 3,588,895	$ 6,938,067	3,349,172	93.32%
TOTAL	**$ 29,487,286**	**$35,494,125**	**$ 6,006,839**	**20.37%**



NORMALIZED

GENERAL FUND - NORMALIZED*	ACTUAL 2026	PROPOSED 2027	PROPOSED 2027 V 2026 VARIANCE ($)	PROPOSED 2027 V 2026 VARIANCE (%)
GENERAL GOVERNMENT	$ 2,514,537	$ 2,475,853	$ (38,684)	-1.54%
PUBLIC SAFETY	$ 11,694,078	$12,539,819	$ 845,741	7.23%
PUBLIC SERVICES	$ 3,628,165	$ 3,425,184	$ (202,981)	-5.59%
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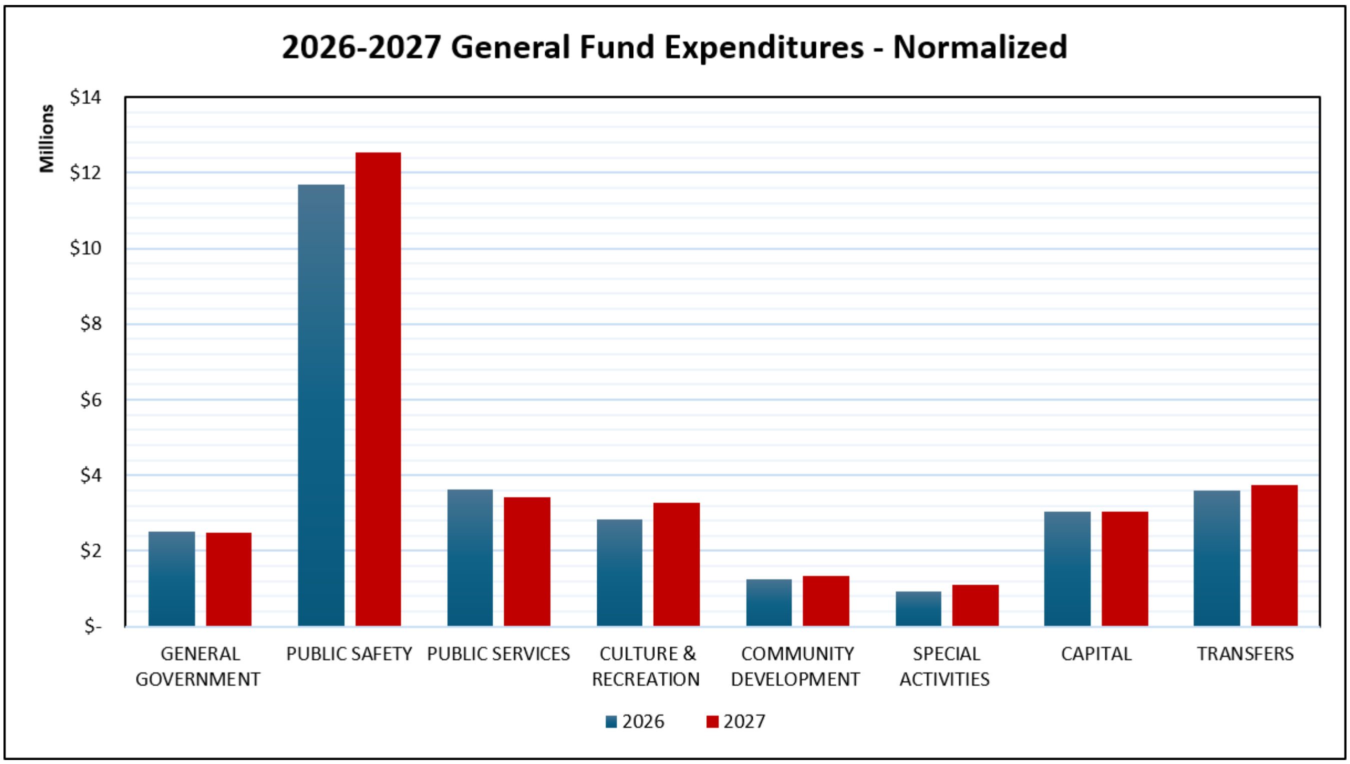
COMMUNITY DEVELOPMENT	$ 1,241,229	$ 1,333,474	$ 92,244	7.43%
SPECIAL ACTIVITIES	$ 933,657	$ 1,091,358	$ 157,701	16.89%
CAPITAL	$ 3,037,325	$ 3,037,325	$ -	0.00%
TRANSFERS	$ 3,588,895	$ 3,738,067	$ 149,172	4.16%
TOTAL	**$ 29,487,286**	**$30,906,450**	**$ 1,419,164**	**4.81%**

* Normalized - Excludes one-time transfer to Ambulance Fund and change in capital contribution.



<u>Potential Budget Additions and Reductions</u>:

The proposed preliminary budget reflects staff recommendations for maintaining current service levels, funding prior commitments, preserving infrastructure, and advancing the City's strategic priorities while maintaining long-term financial sustainability. As part of the budget workshop, the City Council may wish to consider whether additional expenditures should be included or whether reductions should be made before adopting the preliminary 2027 levy. Based on prior budget discussions, current policy considerations, and emerging issues identified during the 2027 budget development process, the following items are offered for Council discussion:

Potential Budget Additions

- Personnel (e.g., Fire Department staffing or other positions not included in the prelim. budget).
- Longevity pay or other compensation adjustments for employees at the top step of the pay plan.
- Funding for comprehensive community survey prior to strategic planning process.
- Funding for community festivals or special events.
- Funding for a future proposed dog park.
- Additional capital projects or equipment acquisitions.
- Other Council-identified priorities or initiatives.

Potential Budget Reductions and/or Policy Changes

- Reduce or eliminate performance pay or other compensation enhancements.
- Defer capital projects or acquisitions through the Capital Improvement Plan (CIP) process.
- Reevaluate memberships, subscriptions, or discretionary operating expenditures.
- Consider alternative funding strategies, including the use of the Green Fund or Capital Project Reserve Fund (CPF 400), where appropriate and consistent with adopted financial policies.
- Consider changes to employee health insurance strategies, including the transition of exempt employees from the Individual Coverage Health Reimbursement Arrangement (ICHRA) to the City's group health insurance plan, subject to the results of the 2026 benefits study.

In addition to the potential budget additions and reductions listed above, the Mayor and City Council are asked to provide staff with additional feedback and direction on the preliminary levy, operations, and the capital budget. Please be prepared to provide feedback on the following three questions:

1. **What is an acceptable level of a preliminary levy increase for 2027?**
2. **What, if any, additional expenditure(s) should be included in the preliminary levy?**
3. **What, if any, reductions to capital, personnel, or services should be made to the preliminary levy?**

GENERAL FUND		ACTUAL	PROPOSED	PROPOSED 2027 V 2026	PROPOSED 2027 V 2026
REVENUES		2026	2027	VARIANCE ($)	VARIANCE (%)
TAXES		24,290,929	27,481,901	3,190,971	13.14%
LICENSES & PERMITS		63,184	95,550	32,367	51.23%
INTERGOVERNMENTAL		1,821,533	2,022,978	201,445	11.06%
CHARGES FOR SERVICES		1,113,913	1,194,023	80,110	7.19%
FINES		87,745	85,702	(2,043)	-2.33%
MISCELLANEOUS		886,473	1,147,503	261,030	29.45%
TRANSFERS IN		278,100	266,469	(11,631)	-4.18%
FUND BALANCE		945,410	3,200,000	2,254,591	238.48%
	TOTAL	$ 29,487,286	$ 35,494,125	$ 6,006,839	20.37%

CITY OF RED WING, MINNESOTA
2027 PROPOSED PRELIMINARY BUDGET
GENERAL FUND

		GENERAL GOVERNMENT EXPENDITURES & OTHER USES	ACTUAL 2026	PROPOSED 2027	PROPOSED 2027 V 2026 VARIANCE ($)	PROPOSED 2027 V 2026 VARIANCE (%)
101	41110	City Council	$ 118,024	$ 165,699	$ 47,675	40.39%
101	41310	Mayor	$ 17,491	$ 20,768	3,277	18.73%
101	41320	Council Administrator	$ 184,596	$ 168,159	(16,437)	-8.90%
101	41330	Boards And Commissions	$ 70,202	$ 58,689	(11,513)	-16.40%
101	41335	Equity	$ 32,500	$ 32,500	-	0.00%
101	41400	City Clerk	$ 181,897	$ 136,567	(45,330)	-24.92%
101	41410	Elections	$ 53,627	$ 27,606	(26,021)	-48.52%
101	41520	Finance	$ 547,158	$ 619,830	72,672	13.28%
101	41540	Auditing	$ 62,102	$ 64,225	2,123	3.42%
101	41610	City Attorney	$ 298,294	$ 321,040	22,746	7.63%
101	41710	Communications	$ 272,197	$ 234,255	(37,942)	-13.94%
101	41810	Human Resources	$ 469,448	$ 370,457	(98,991)	-21.09%
101	41941	City Hall Building	$ 207,002	$ 256,058	49,056	23.70%
			$ 2,514,537	**$ 2,475,853**	**$ (38,684)**	**-1.54%**

		PUBLIC SAFETY EXPENDITURES & OTHER USES	ACTUAL 2026	PROPOSED 2027	PROPOSED 2027 V 2026 VARIANCE ($)	PROPOSED 2027 V 2026 VARIANCE (%)
101	42100	Police	$ 5,876,670	$ 6,471,488	$ 594,818	10.12%
101	42110	Police Administration	$ 1,255,269	$ 1,340,964	85,694	6.83%
101	42115	Community Service Officers	$ 173,155	$ 180,698	7,542	4.36%
101	42200	Fire	$ 3,735,309	$ 3,856,011	120,702	3.23%
101	42210	Fire Administration	$ 297,941	$ 314,212	16,270	5.46%
101	42280	Fire Station BuildingPlum St	$ 74,291	$ 95,888	21,597	29.07%
101	42281	Fire Station BuildingWest	$ 89,485	$ 95,494	6,009	6.72%
101	42500	Emergency Management	$ 191,957	$ 185,064	(6,893)	-3.59%
			$ 11,694,078	**$ 12,539,819**	**$ 845,741**	**7.23%**

		PUBLIC SERVICES EXPENDITURES & OTHER USES	ACTUAL 2026	PROPOSED 2027	PROPOSED 2027 V 2026 VARIANCE ($)	PROPOSED 2027 V 2026 VARIANCE (%)
101	43010	Public Works Administration	$ 400,752	$ 328,544	(72,207)	-18.02%
101	43015	Public Works Building	$ 314,289	$ 300,666	(13,623)	-4.33%
101	43020	Public Works 321 Building	$ 171,909	$ 102,113	(69,796)	-40.60%
101	43121	Streets	$ 1,378,404	$ 1,290,158	(88,246)	-6.40%
101	43125	Ice and Snow Removal	$ 670,071	$ 694,365	24,294	3.63%
101	43160	Street Lighting	$ 393,286	$ 417,533	24,247	6.17%
101	43170	Street Signage	$ 163,544	$ 142,252	(21,292)	-13.02%
101	43260	Weed Control & Roadside Mowing	$ 82,957	$ 89,527	6,570	7.92%
101	43270	Composting	$ 52,954	$ 60,025	7,072	13.35%
			$ 3,628,165	**$ 3,425,184**	**$ (202,981)**	**-5.59%**

CITY OF RED WING, MINNESOTA
2027 PROPOSED PRELIMINARY BUDGET
GENERAL FUND

			ACTUAL	PROPOSED	PROPOSED 2027 V 2026	PROPOSED 2027 V 2026
		CULTURE & RECREATION EXPENDITURES & OTHER USES	2026	2027	VARIANCE ($)	VARIANCE (%)
101	45120	Participant Cultural & Recreation	$ 159,304	$ 166,419	7,115	4.47%
101	45124	Swimming Pools	$ 421,040	$ 469,694	48,654	11.56%
101	45125	Golf Courses	$ 124,567	$ 100,000	(24,567)	-19.72%
101	45172	Goodhue Co Hist Society Bldg	$ 44,213	$ 47,675	3,462	7.83%
101	45182	Athletic Field	$ 190,466	$ 236,423	45,957	24.13%
101	45183	Ice Skating Rinks	$ 22,871	$ 25,172	2,301	10.06%
101	45184	South Park Skating Rink	$ 3,233	$ 4,182	949	29.36%
101	45185	Cannon Valley Trail Maint	$ 105,393	$ 69,400	(35,993)	-34.15%
101	45190	Trails	$ 22,032	$ 18,226	(3,806)	-17.28%
101	45210	Parks	$ 564,215	$ 604,629	40,414	7.16%
101	45214	Levee Park	$ 49,951	$ 49,678	(272)	-0.55%
101	45215	A.P. Anderson Park	$ 87,748	$ 150,089	62,342	71.05%
101	45216	Colvill Park	$ 203,383	$ 250,407	47,023	23.12%
101	45217	Bay Point Park	$ 52,250	$ 71,291	19,042	36.44%
101	45218	Memorial Park	$ 44,364	$ 57,061	12,696	28.62%
101	45219	Barn Bluff	$ 30,727	$ 34,098	3,371	10.97%
101	45220	Parkways And Boulevards	$ 525,863	$ 670,143	144,280	27.44%
101	45221	Flower Baskets	$ 73,471	$ 80,461	6,990	9.51%
101	45299	Parks Capital Outlay	$ 184	$ 261	77	41.85%
101	45350	Sheldon Building	$ 124,126	$ 160,062	35,937	28.95%
			$ 2,849,399	**$ 3,265,371**	**$ 415,972**	**14.60%**

			ACTUAL	PROPOSED	PROPOSED 2027 V 2026	PROPOSED 2027 V 2026
		COMMUNITY DEVELOPMENT EXPENDITURES & OTHER USES	2026	2027	VARIANCE ($)	VARIANCE (%)
101	46310	Community Development	$ 1,121,777	$ 1,210,364	88,587	7.90%
101	46630	Ignite Building	$ 99,452	$ 93,109	(6,343)	-6.38%
101	46800	Economic Development	$ 20,000	$ 30,000	10,000	50.00%
			$ 1,241,229	**$ 1,333,474**	**$ 92,244**	**7.43%**

			ACTUAL	PROPOSED	PROPOSED 2027 V 2026	PROPOSED 2027 V 2026
		SPECIAL ACTIVITIES EXPENDITURES & OTHER USES	2026	2027	VARIANCE ($)	VARIANCE (%)
101	49010	Cemetery	$ 449,357	$ 506,434	57,077	12.70%
101	49200	Contingencies	$ 319,285	$ 369,428	50,143	15.70%
101	49800	Transit Operations	$ 12,000	$ 12,000	-	0.00%
101	49822	Lagrange Ramp	$ 50,442	$ 69,034	18,592	36.86%
101	49823	4Th Street Ramp	$ 47,424	$ 61,068	13,644	28.77%
101	49824	Studebaker Ramp	$ 55,149	$ 73,395	18,245	33.08%
			$ 933,657	**$ 1,091,358**	**$ 157,701**	**16.89%**

CITY OF RED WING, MINNESOTA
2027 PROPOSED PRELIMINARY BUDGET
GENERAL FUND

					PROPOSED	PROPOSED
		CAPITAL	ACTUAL	PROPOSED	2027 V 2026	2027 V 2026
		EXPENDITURES & OTHER USES	2026	2027	VARIANCE ($)	VARIANCE (%)
101	49010	Capital	**$ 3,037,325**	**$ 4,425,000**	**1,387,675**	**45.69%**

					PROPOSED	PROPOSED
		TRANSFERS	ACTUAL	PROPOSED	2027 V 2026	2027 V 2026
		EXPENDITURES & OTHER USES	2026	2027	VARIANCE ($)	VARIANCE (%)
101	49010	Transfers	**$ 3,588,895**	**$ 6,938,067**	**3,349,172**	**93.32%**
		TOTALS	**$ 29,487,286**	**$ 35,494,125**	**$ 6,006,839**	**20.37%**