# Assessment of Delinquent Charges

Public Hearing and Resolution Adoption

Presented by: Kaitlyn Finkel, accountant
09/15/2025

# Certification Process

**What is certification?** Certification is an annual process where delinquent balances are sent to the county and added to the corresponding property's taxes as a special assessment payable the next year.

**What accounts are eligible to be certified?** Utility accounts and other delinquent accounts for city services provided to a property. These other invoices include mowing service, tree removal, tree pruning, snow removal, false alarms and citations

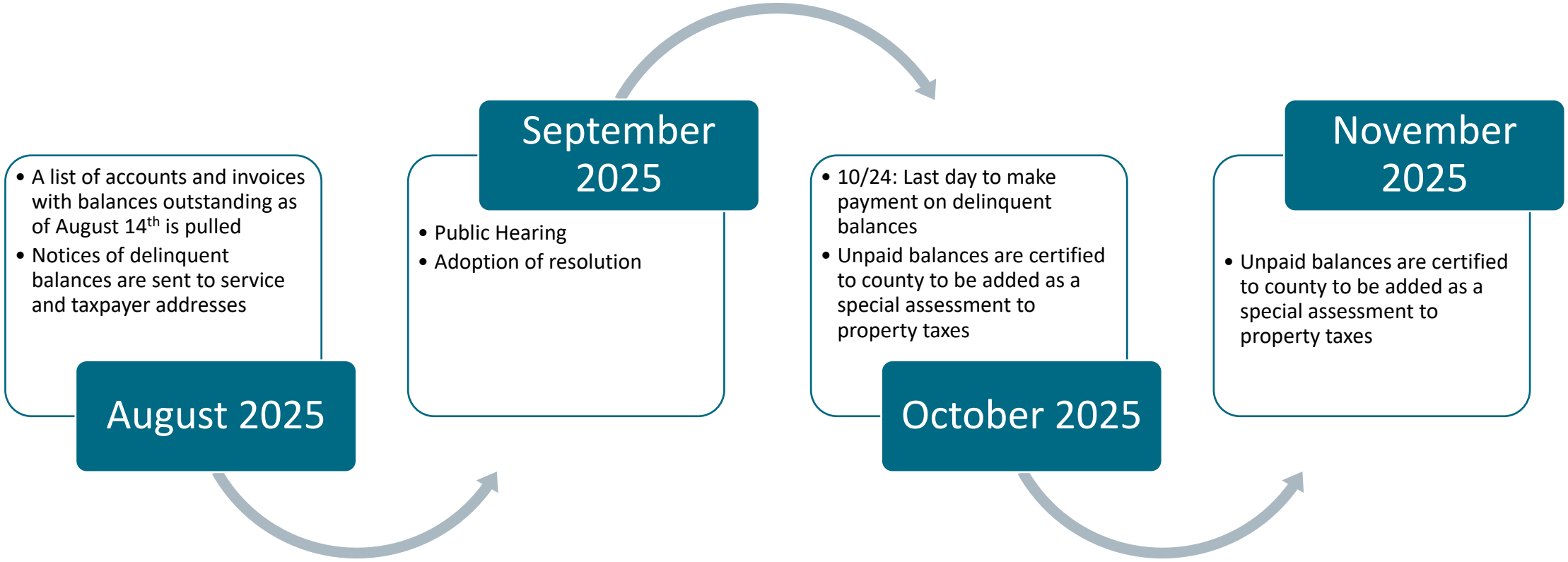
**Why does the city certify accounts?** The city utilizes certifications as an alternative to shutting off water services for unpaid utility accounts. Additionally, it is a means to collect on unpaid invoices for services provided.

**What is the impact to the City?** Collection of charges is necessary to reimburse the city for expenses incurred. Without collecting these charges, the cost would be shifted to other taxpayers.

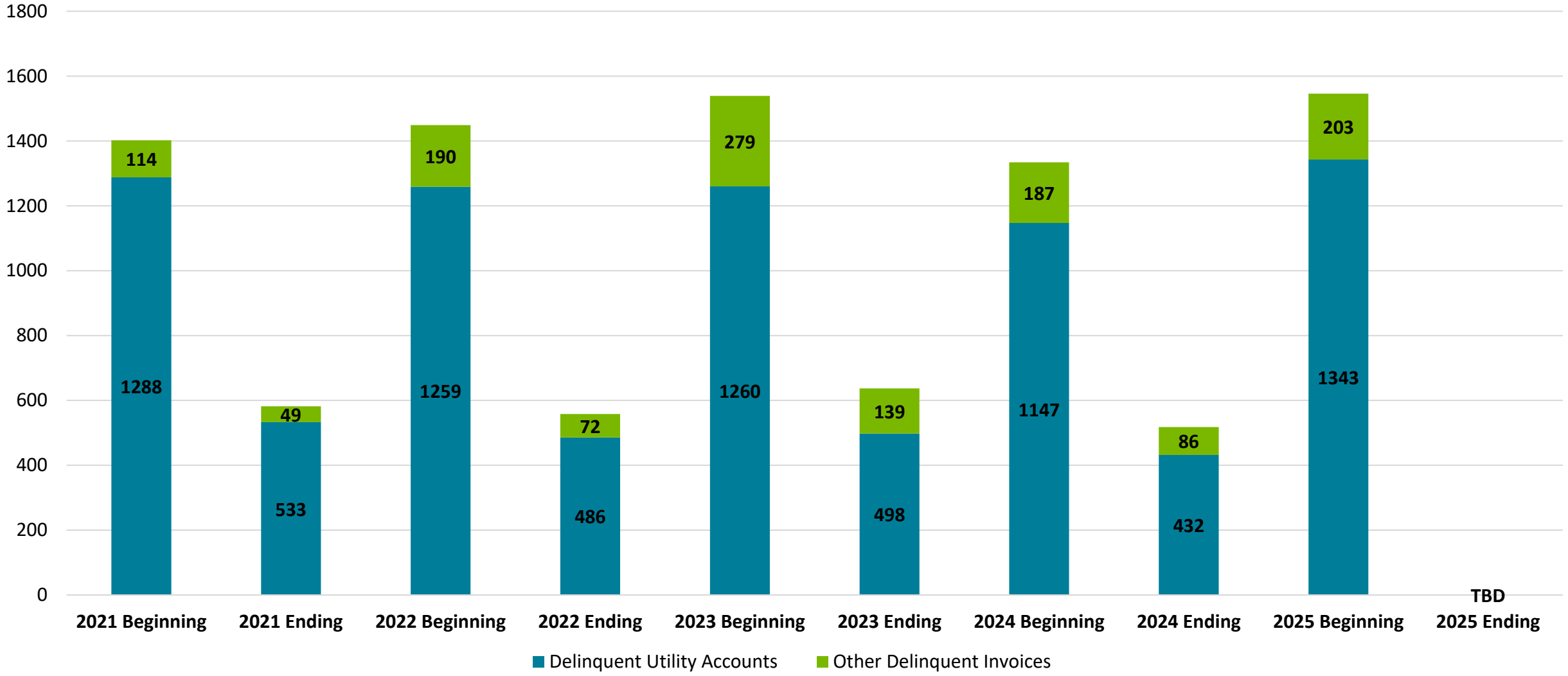
# Benefits of Certification Process

- Provides the City with an alternative means to collect on delinquent utility accounts and avoid having to cut off services
- Allows residents to spread out large expenses such as tree removals over several years to ease the financial burden
- Helps maintain City's financial stability by collecting on past due balances for expenses already incurred by the City while providing services to properties

# Timeline


August 2025
• A list of accounts and invoices with balances outstanding as of August 14th is pulled
• Notices of delinquent balances are sent to service and taxpayer addresses
September 2025
• Public Hearing
• Adoption of resolution
October 2025
• 10/24: Last day to make payment on delinquent balances
• Unpaid balances are certified to county to be added as a special assessment to property taxes
November 2025
• Unpaid balances are certified to county to be added as a special assessment to property taxes

# Number of Delinquent Accounts by Type
# 2021 – 2025




St. Louis Park
MINNESOTA

# Next steps

- Finance staff will continue to work with residents to answer questions and collect payment for delinquent balances.
- October 24, 2025, all accounts that have been paid are removed and final list of delinquent accounts is sent to the county.
- Certified amounts will be added to the property's taxes payable in 2026.

# 2026 Preliminary Levy Adoption

Sept. 15, 2025

Amelia Cruver, finance director

# Policy Consideration

**Recommended action:** Motion to adopt resolutions approving 2026 preliminary property tax levy

**Policy consideration:**

- Does council support the proposed 2026 HRA and EDA levies that are a part of the proposed 2026 budget? The balanced budget consists of an all-inclusive preliminary levy increase of 8.02% and includes:
  - An HRA levy of $1,194,133 to support the Affordable Housing Trust Fund; and
  - An EDA levy of $375,000 to support ongoing spending in the development fund;

# 2026 Budget Roadmap

| Date | Topic | Issues and Decision Points |
|---|---|---|
| **June 16, 2025** | Base Budget and Context | • 2024 Actual versus Budget<br>• 2025 decisions with trailing budgetary impacts<br>• 2026 revenue projections<br>• Personnel expense projections and Paid Family and Medical Leave<br>• Employee Benefits Fund<br>• Internal Service funds change |
| **July 14, 2025** | 2024 Certified Annual Financial Report and Audit | • 2024 financial performance<br>• 2024 fund balances<br>• Audit findings and corrective action plans |
| **Aug. 11, 2025** | Operating Budget Proposal | • New proposals for the 2026 operating budget and levy implications |
| **Sept. 2, 2025** | Capital Improvement Plan (CIP) and Final Levy | • Revised CIP 2026 – 2030 and budget implications<br>• Complete levy recommendation<br>• Projected levy impact by property type and quartile<br>• Fee adoption |

# 2026 Budget Roadmap, cont.

| Date | Topic | Issues and Decision Points |
|---|---|---|
| **Sept. 15, 2025** | Levy adoption | • Maximum Levy adoption |
| **October 2025, TBD** | TIF Management Plan update | • TIF district performance<br>• TIF district recommended transfers and decertification, if any |
| **Mid-November 2025** | Truth in taxation property tax notices sent out by the county | • Residents receive an estimate of their 2026 tax bill and information on the public hearing in December 2025 |
| **Nov. 10, 2025** | Council report and discussion: Revised budget | • Revisions to the budget and adjustments to the levy, as needed. In November 2025, the levy can only go down from the maximum set in September 2025<br>• Review the 2031-2035 CIP |
| **Dec. 1, 2025** | Council report and public hearing: Truth in Taxation | • Residents share feedback on the proposed 2026 budget |
| **Dec. 15, 2025** | Council report, discussion and vote: Budget adoption | • City council adopts the 2026 budget and CIP |

# 2026 Proposed Levy

| Fund | FY2025 | FY2026 | $ Change | % Change |
|---|---|---|---|---|
| General | 38,808,815 | 45,816,333 | 7,007,518 | 18.06% |
| Debt Service | 6,856,221 | 5,792,684 | (1,063,537) | -15.51% |
| Development EDA | 187,000 | 375,000 | 188,000 | 100.53% |
| Park Improvement | 510,000 | 410,000 | (100,000) | -19.61% |
| Affordable Housing Trust | 1,194,133 | 1,194,133 | - | 0.00% |
| Employee Benefits | 200,000 | 400,000 | 200,000 | 100.00% |
| Capital Funds | | | - | |
| Municipal Bldg & Infrastructure | 685,031 | - | (685,031) | -100.00% |
| Technology | 1,538,465 | - | (1,538,465) | -100.00% |
| **Total** | **49,979,665** | **53,988,150** | **4,008,485** | **8.02%** |

# Five-Year Outlook

| Fund | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|---|---|---|---|---|---|---|
| General | 38,808,815 | 45,816,333 | 48,107,150 | 50,512,507 | 53,038,132 | 55,690,039 |
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| Capital Funds | | | | | | |
| *Municipal Bldg* | *685,031* | | | | | |
| *Technology* | *1,538,465* | - | | | | |
| **Total** | **49,979,665** | **53,988,150** | **57,112,185** | **60,151,763** | **63,236,718** | **65,697,848** |
| $ Increase | | 4,008,485 | *3,124,035* | *3,039,578* | *3,084,956* | *2,461,130* |
| % Increase | | 8.02% | *5.79%* | *5.32%* | *5.13%* | *3.89%* |

# Property Tax - Payer Resources

Programs and tax credits exist at the state level for taxpayers who face significant increases in their taxes or have a level of property tax that is disproportionate to their income. Below is a list with links but all information can be found on the MN Department of Revenue website:

**Disabled Veterans Exclusion:**
https://www.revenue.state.mn.us/market-value-exclusion-veterans-disability

**Senior Citizen Property Tax Deferral Program:**
https://www.revenue.state.mn.us/property-tax-deferral-senior-citizens

**Special Homestead Classification – blind or disabled:**
https://www.revenue.state.mn.us/special-homestead-classification

**Hennepin County Property Information:**
https://www.hennepin.us/residents/property/property-information-search

**Property Tax Refund Information:**
https://www.revenue.state.mn.us/property-tax-refund

**Renter's Property Tax Refund Information:**
https://www.revenue.state.mn.us/renters-property-tax-refund

# Questions?

# Policy Consideration

**Recommended action:** Motion to adopt resolutions approving 2026 preliminary property tax levy

**Policy consideration:**

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Sept. 15, 2025

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Does council support the proposed 2026 budget as drafted? The balanced budget consists of an all-inclusive preliminary levy increase of 8.02% based upon the following:

a) General levies (general fund, park improvement, and employee benefits) of $46,626,333,
b) Debt service levy of $5,792,684,
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e) Planned use of fund balance in the general fund of $300,000 to support one-time items in the budget.

# Budget Process

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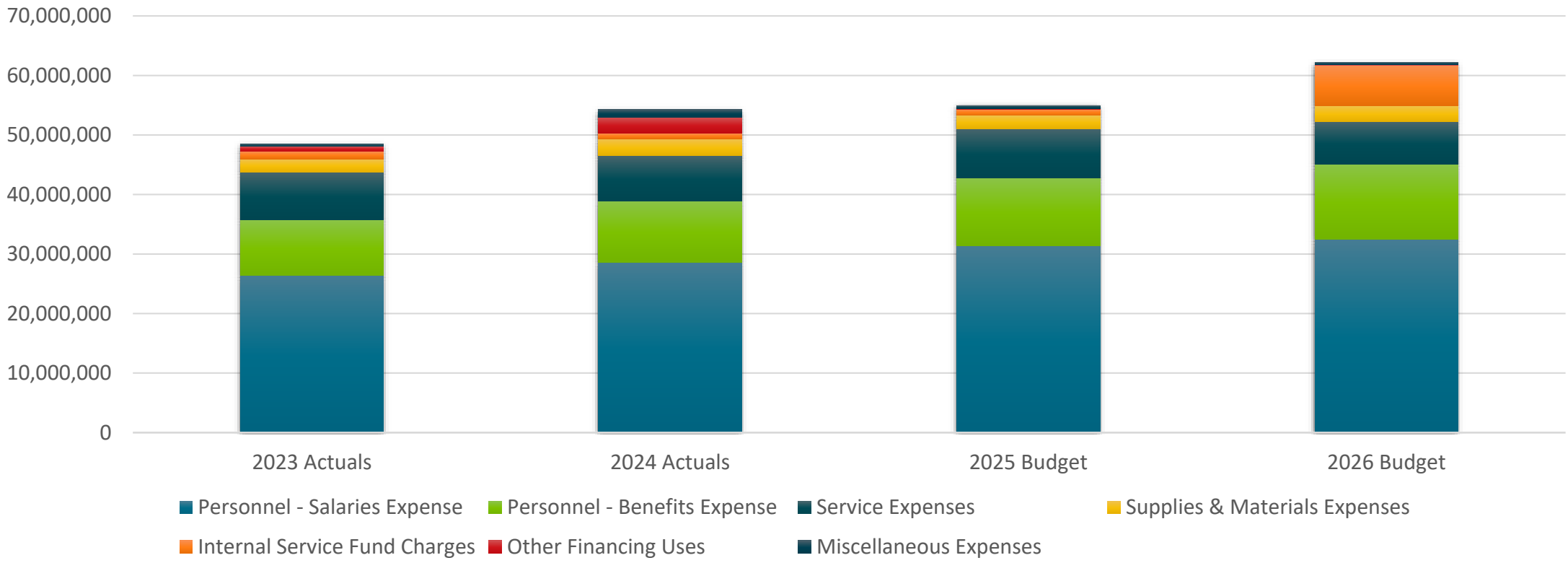
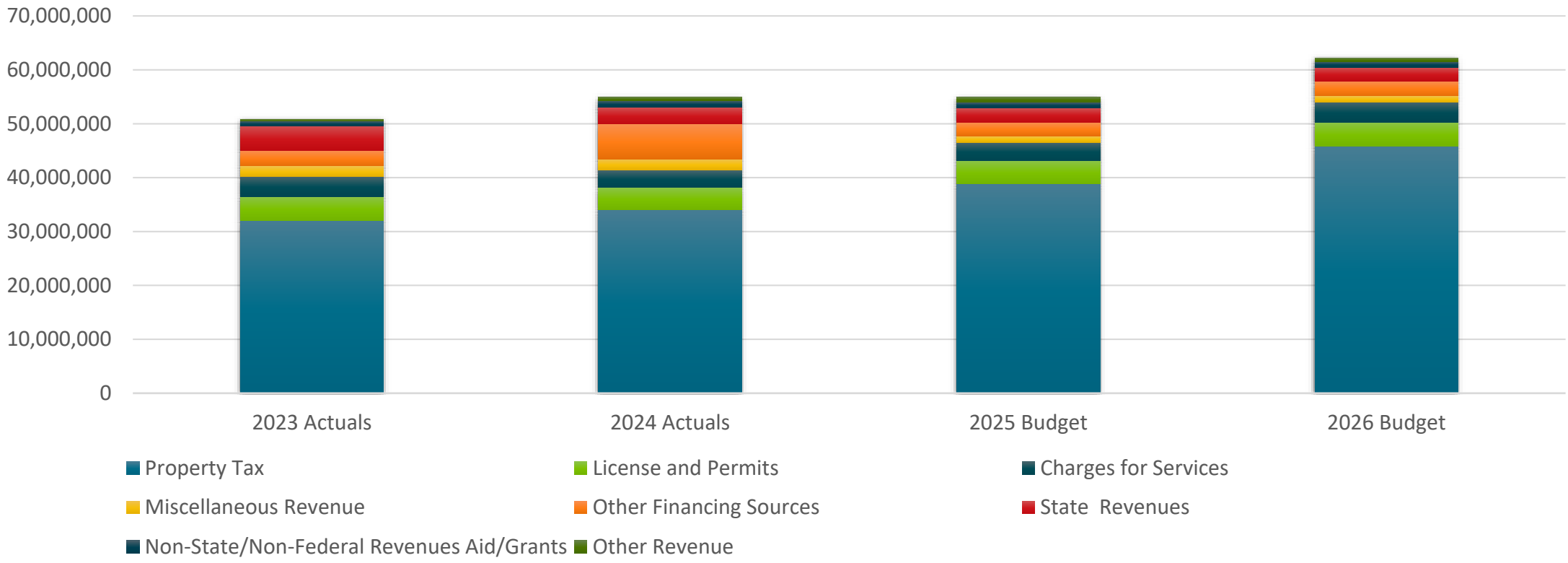
# Budget Highlights

- Offsets increased spending on programs and staff with over $200,000 in reductions to department budgets.
- Fully funds implementation of the new Minnesota Paid Family and Medical Leave for all city employees.
- Funds a balanced budget in the Employee Benefit, Municipal Building and Technology funds.
- Supports the operation of a brush management site in 2026 free of charge to residents.
- Supports the operation of a concession stand in the Rec Center during winter months so that visitors feel comfortable and welcomed while participating in recreational activities at the city.
- Begins a multi-year plan to fully fund and expand activity in the cities Climate Investment Fund in an ongoing way using the property tax levy.
- Uses analysis capabilities from our new budgeting software to right-size budgets in multiple areas, including increases to budgeted overtime to reflect actual spending and reductions in historically underspent funds.

# General Fund Spending



# General Fund Revenue



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**Special Homestead Classification – blind or disabled:**
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**Hennepin County Property Information:**
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