

BUDGET PROCESS TO DATE

- **Winter 2024: Completion of 2025-2026 City-wide Work Plans**
- **February 18: Annual City Council Goal Session**
- **April 15: Quality of Life Survey Results Review**
- **May 6: Council Workshop Review of 2024 Financial Results**
- **March-June: Preparation of 2026-2027 Budget**
- **July 15: Council Workshop to Present Budget Information**
- **September 2: Council Adopts Preliminary Budget and Tax Levy**



GOALS FOR 2026-2027 BUDGET

- **Provide Value to Citizens**
 - Maintain High Quality City Services
 - Reasonable Tax Impacts
- **Maintain Strong Financial Position and Bond Rating**
 - Balanced Budget
 - Maintain Fund Balance Policies
 - Conservative Estimates of Revenues and Expenditures
 - Review fees and charges annually-at a minimum adjust for inflation
 - Comprehensive and Long-Range Capital Planning



2024 Quality of Life Survey Highlights

Every two years, the City conducts a Quality of Life Survey to gather opinions from a random sample of Eden Prairie households. This provides City leaders with a snapshot of how residents feel about living in our community to determine current and future needs.

KEY 2024 SURVEY FINDINGS



Eden Prairie's quality of life is exceptional, with 90% of respondents rating their overall quality of life as excellent or good, which places Eden Prairie's rating higher than benchmark communities.



Eden Prairie is safe, with 93% positively evaluating their overall feeling of safety, while also ranking police services third among cities surveyed in the nation and first among cities surveyed in Minnesota.



The overall economic health of Eden Prairie is strong and it's a great place to work and conduct business, with residents ranking Eden Prairie higher than benchmark communities.



City services are highly rated; many ratings outpaced benchmark communities and the overall quality of City services ranked second among all Minnesota cities surveyed.



The quality of Eden Prairie's natural environment ranks first among all community characteristics rated in the survey, with 92% of residents rating it as excellent or good.



Residents are engaged, with the City's website ranking second behind "word-of-mouth" as a preferred source followed by the "Life in the Prairie" newsletter.



The top safety issues in the community identified by residents are traffic speeding and stop sign violations.



Find the complete survey results at edenprairie.org/QualityOfLife

How does EDEN PRAIRIE compare?

Residents ranked Eden Prairie higher than other cities in many areas.



STATE RANKINGS

- #1 Ease of Getting Around
- #1 Emergency Management
- #1 Overall Appearance
- #1 Planning Services
- #1 Police Services
- #1 Preservation of Natural Areas
- #1 Senior Programming
- #1 Staff Knowledge, Courtesy and Responsiveness
- #1 Street Repair/Sweeping
- #2 Availability of Walking Paths/Trails
- #2 City Services Overall
- #2 Feelings of Safety
- #2 Fire Services
- #3 Recreation Facilities
- #3 Snow Removal



NATIONAL RANKINGS

- #1 Building Inspections
- #1 Park Maintenance
- #1 Senior Programming
- #2 Planning Services
- #3 Police Services
- #4 Preservation of Natural Areas
- #4 Street Sweeping
- #5 Ease of Getting Around
- #5 Street Repair
- #6 City Services Overall

2026-2027 BUDGET HIGHLIGHTS

- **City-Wide**

- Enhanced Community Events and Increased Community Engagement
- Investments in Facility Maintenance
- Investments in Technology



2026-2027 BUDGET HIGHLIGHTS

- **Parks and Recreation**
 - Expanded contracts for Parks and Natural Resources Maintenance
- **Public Works**
 - Street Maintenance Costs Removed from General Fund (Franchise Fees)
 - Sustainability Initiatives
- **Community Development**
 - Next Comprehensive Plan Process
 - Housing Policies and Programs



2026-2027 BUDGET HIGHLIGHTS

- **Administration**

- Even Year Elections

- **Police**

- Maintain Staffing, Enhance Recruitment and Training

- **Fire**

- Updated Staffing Model (Standard of Coverage Study)



2026-2027 OVERALL BUDGET HIGHLIGHTS

- **BE FISCALLY PRUDENT AND BUDGET-CONSCIOUS**
- **MAINTAIN CURRENT HIGH SERVICE LEVELS**



GENERAL FUND REVENUE BUDGET

	2025	2026		Percent	2027		Percent
	Adopted	Proposed	Difference	Change	Proposed	Difference	Change
Taxes	\$ 46,264,072	\$ 48,990,580	\$ 2,726,508	5.9%	\$ 51,597,278	\$ 2,606,698	5.3%
Licenses and Permits	4,159,200	4,332,913	173,713	4.2%	4,330,750	(2,163)	(0.0%)
Intergovernmental Revenue	1,885,585	2,583,221	697,636	37.0%	2,488,405	(94,816)	(3.7%)
Charges for Services	6,089,637	6,535,807	446,170	7.3%	6,673,497	137,690	2.1%
Fines and Forfeits	350,000	425,000	75,000	21.4%	425,000	-	0.0%
Investment Income	50,000	372,600	322,600	645.2%	500,000	127,400	34.2%
Other Revenue	158,325	203,625	45,300	28.6%	207,375	3,750	1.8%
Transfers	470,729	508,072	37,343	7.9%	535,431	27,359	5.4%
Total	\$ 59,427,548	\$ 63,951,818	\$ 4,524,270	7.6%	\$ 66,757,736	\$ 2,805,918	4.4%

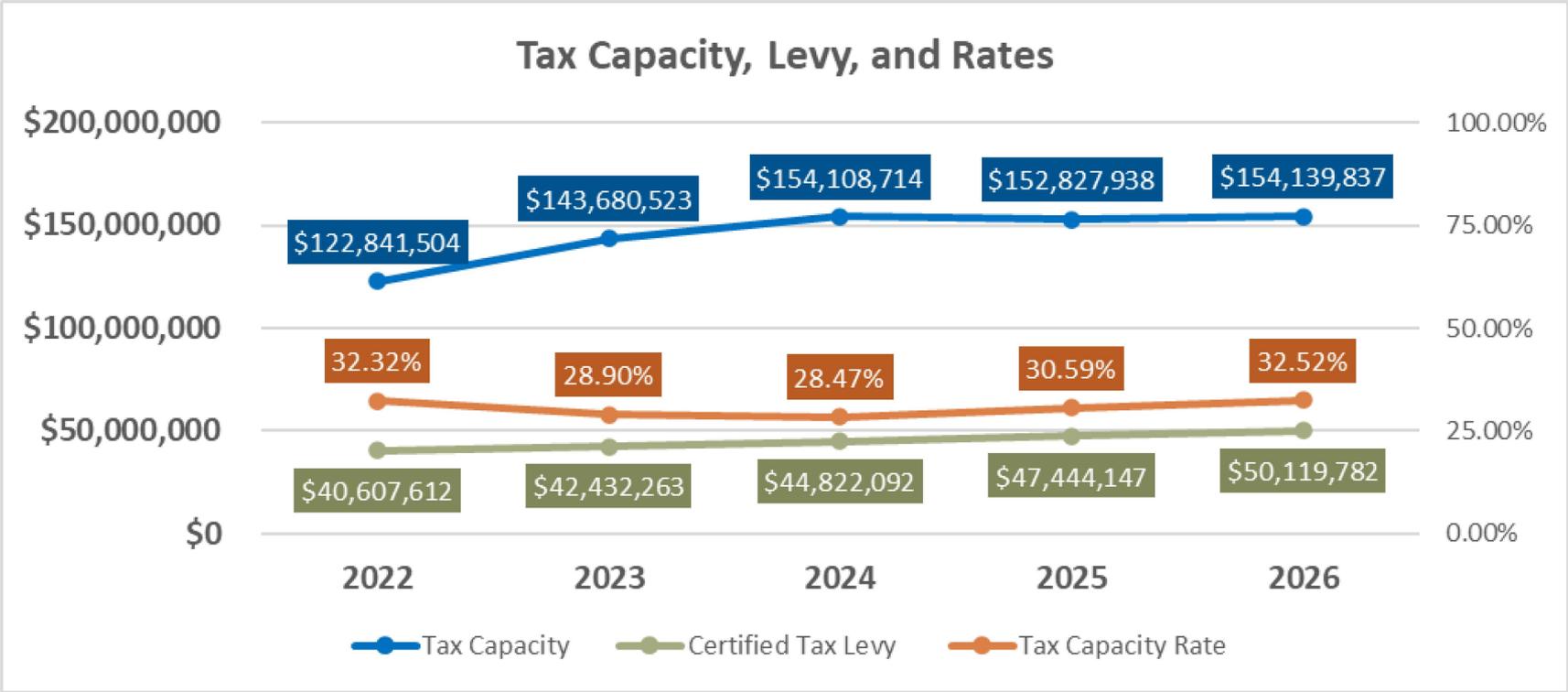


GENERAL FUND EXPENDITURE BUDGET

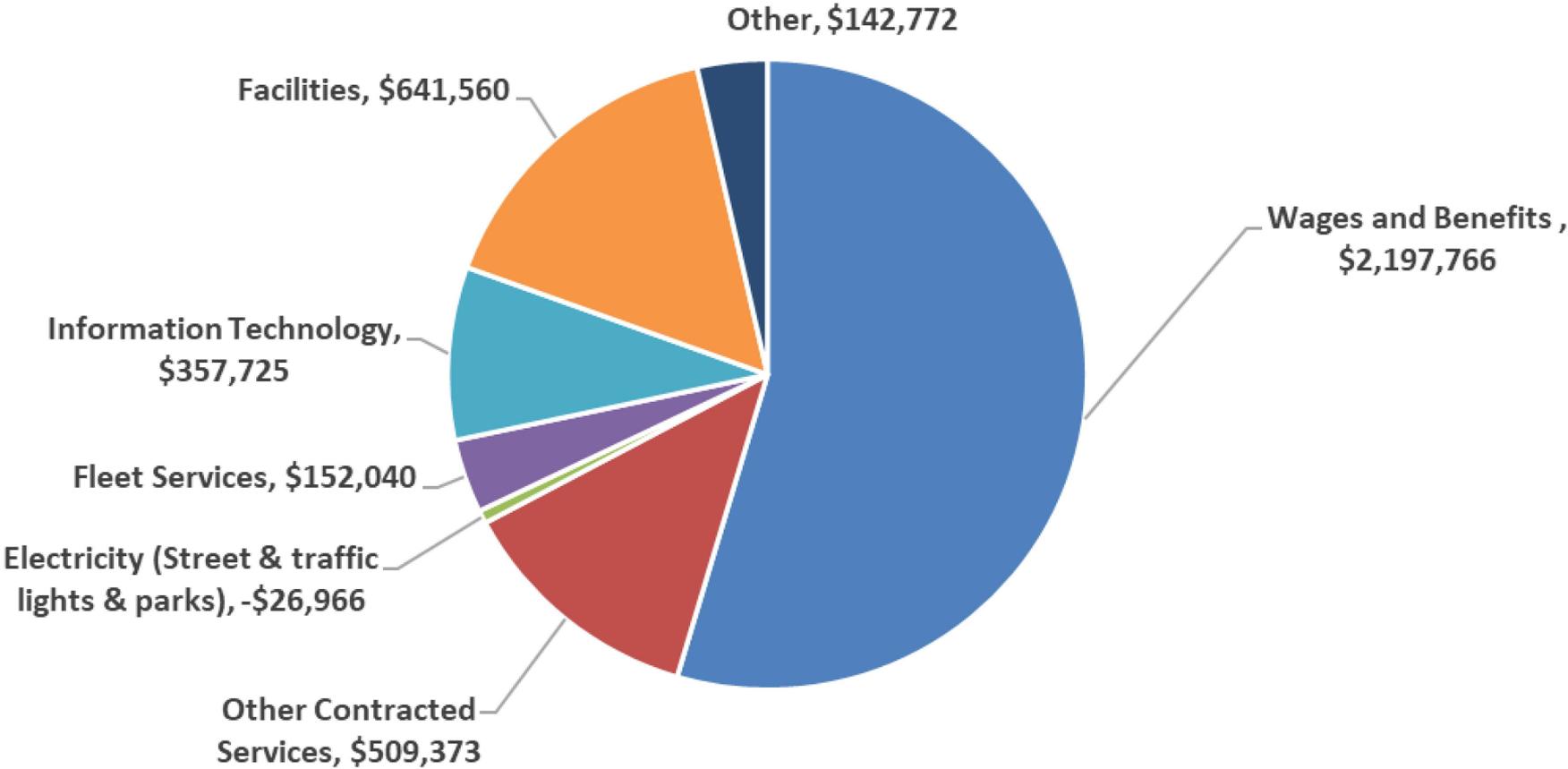
	2025 Adopted	2026 Proposed	Difference	Percent Change	2027 Proposed	Difference	Percent Change
Administration	\$ 5,356,825	\$ 5,696,169	\$ 339,344	6.3%	\$5,834,924	\$ 138,755	2.4%
Community Development	2,828,732	2,839,407	10,675	0.4%	2,996,794	157,387	5.5%
Police	20,500,197	22,882,295	2,382,098	11.6%	23,656,754	774,459	3.4%
Fire	8,148,999	9,052,459	903,460	11.1%	9,891,070	838,611	9.3%
Public Works	7,051,708	6,769,729	(281,979)	(4.0%)	7,044,510	274,781	4.1%
Parks and Recreation	16,091,087	16,711,759	620,672	3.9%	17,333,684	621,925	3.7%
	59,977,548	63,951,818	3,974,270	6.6%	66,757,736	2,805,918	4.4%



PROPOSED PROPERTY TAX IMPACTS



BUDGET CHANGES 2026



2026-2027 PROPOSED LEVY AND BUDGET

Fund	2025 Adopted	2026 Proposed	Difference	Percent Change	2027 Proposed	Difference	Percent Change
General Fund	\$ 47,177,624	\$ 49,949,571	\$ 2,771,947	5.9%	\$ 52,609,467	\$ 2,659,896	5.3%
Capital Improvement Fund	400,000	-	(400,000)	(100.0%)	400,000	400,000	0.0%
Debt Levy	2,401,316	2,895,243	493,927	20.6%	2,997,605	102,362	3.5%
Sub-total	49,978,940	52,844,814	2,865,874	5.7%	56,007,072	3,162,258	6.0%
Less Fiscal Disparity Distribution	(2,534,793)	(2,725,032)	(190,239)	7.5%	(2,725,032)	-	0.0%
Total Levy	\$ 47,444,147	\$ 50,119,782	\$ 2,675,635	5.6%	\$ 53,282,040	\$ 3,162,258	6.3%

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General Fund	\$ 59,977,548	\$ 63,951,818	\$ 3,974,270	6.6%	\$ 66,757,736	\$ 2,805,918	4.4%
Debt	2,401,316	2,895,243	493,927	20.6%	2,997,605	102,362	3.5%
Capital Levy	400,000	-	(400,000)	(100.0%)	400,000	400,000	0.0%
Total City Budget	\$ 62,778,864	\$ 66,847,061	\$ 4,068,197	6.5%	\$ 70,155,341	\$ 3,308,280	4.9%



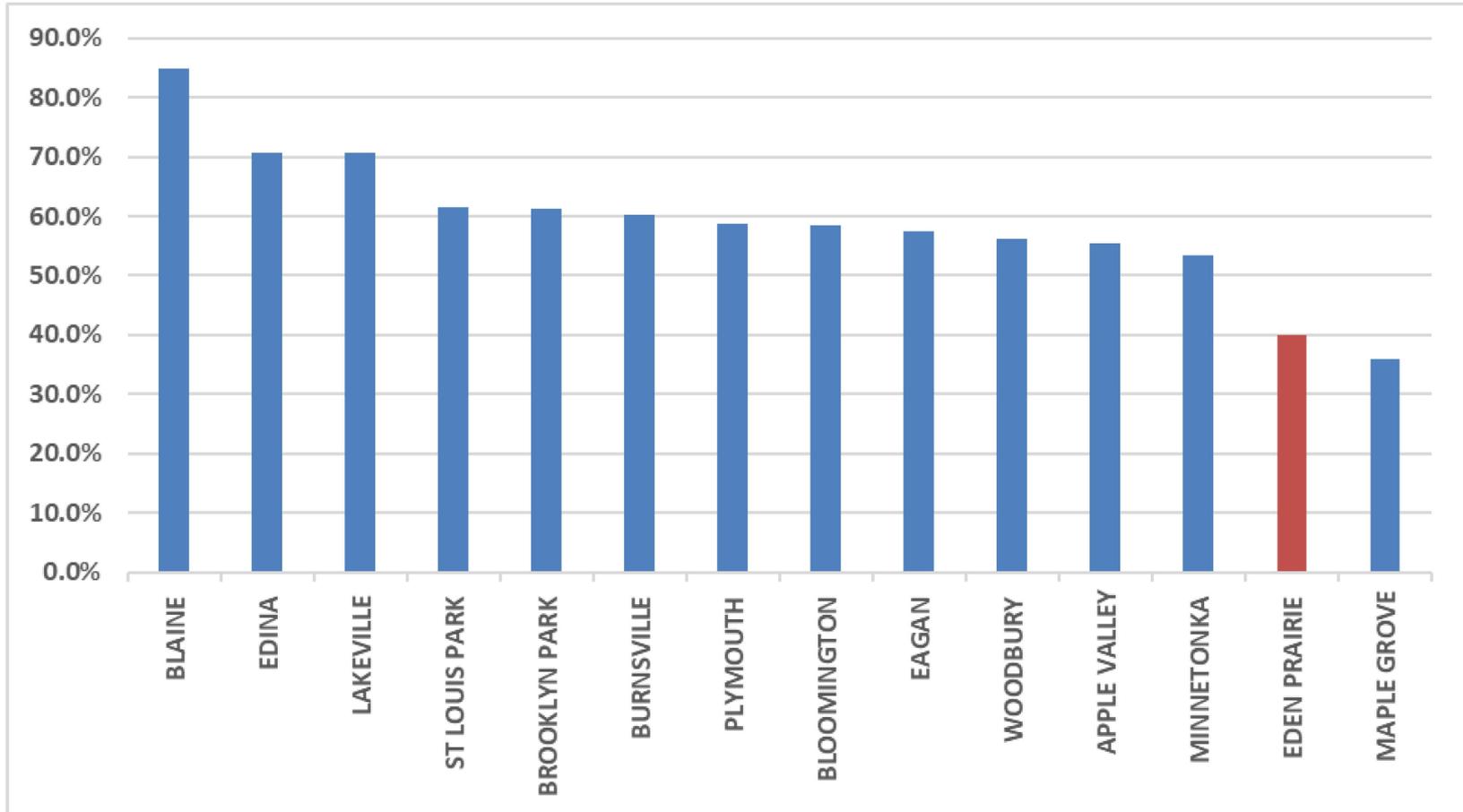
CITY TAX COMPARISONS

Proposed 2026 Tax Levy

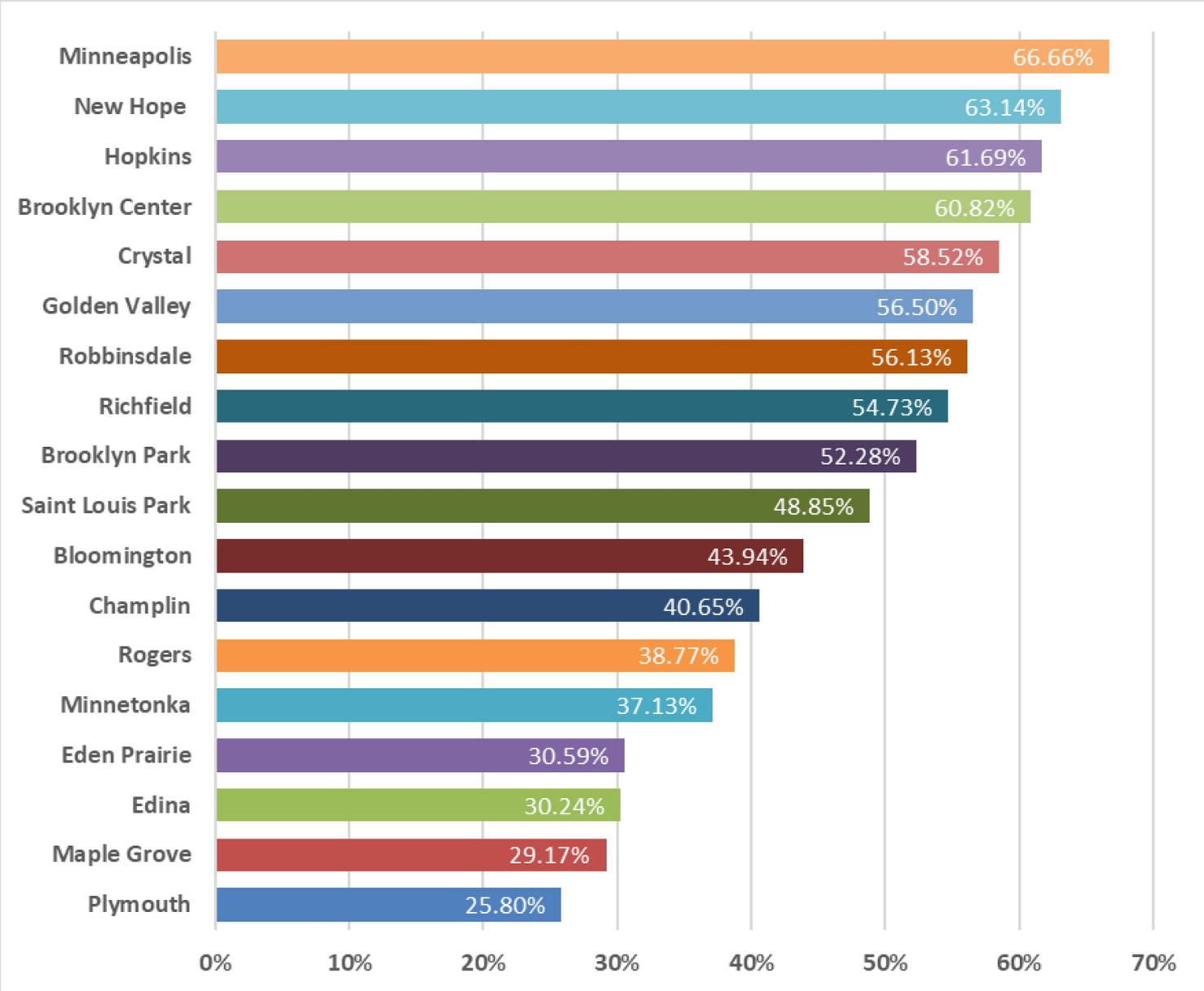
Eden Prairie	5.60%
Maple Grove	6.35%
Lakeville	7.03%
Plymouth	7.30%
Burnsville	7.40%
Minnetonka	7.94%
Eagan	8.90%
Edina	9.23%
Bloomington	9.44%
Blaine	9.92%
Woodbury	11.70%
Apple Valley	13.01%
Average	8.65%



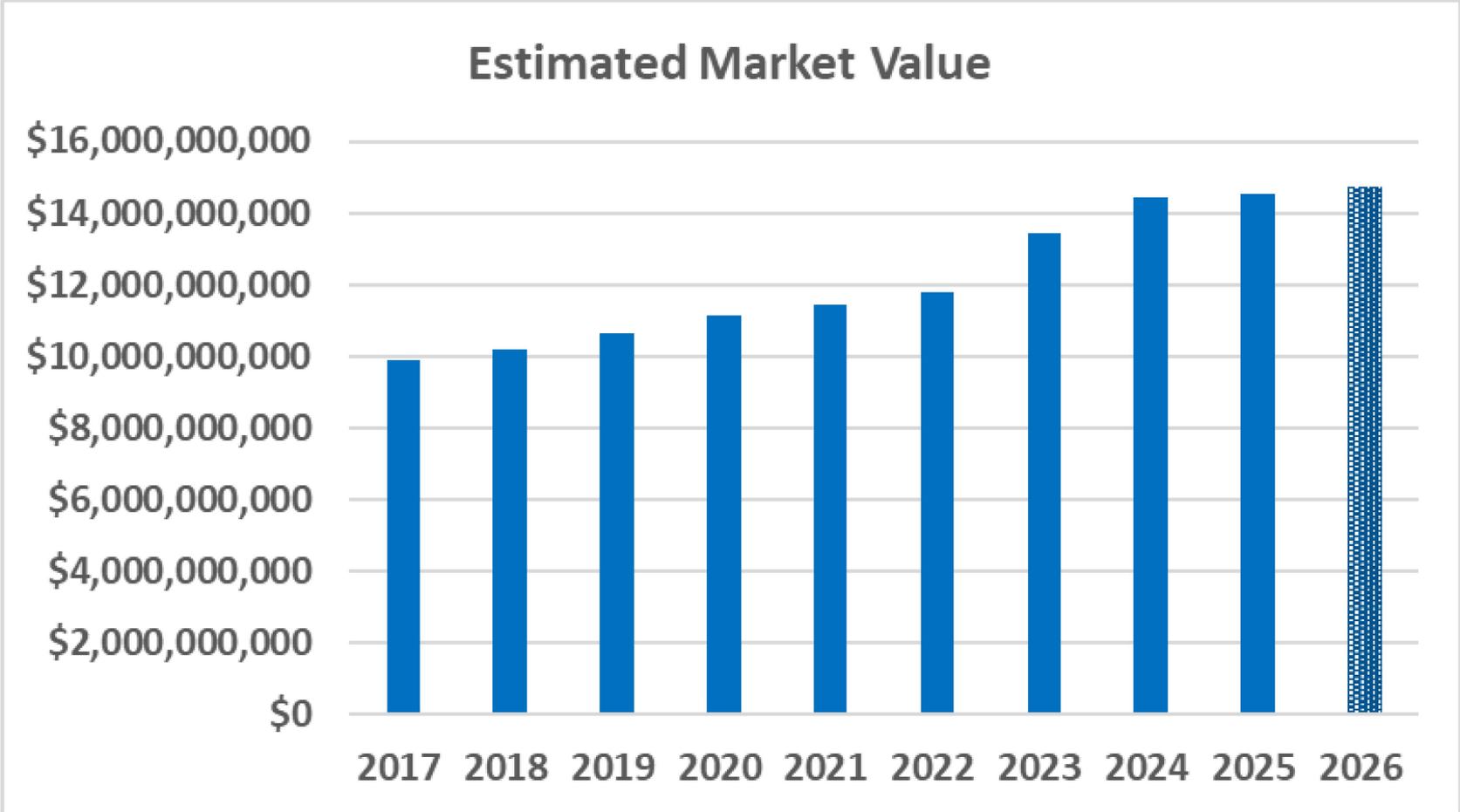
COMPARABLE CITIES' HISTORICAL LEVIES 2016-2025



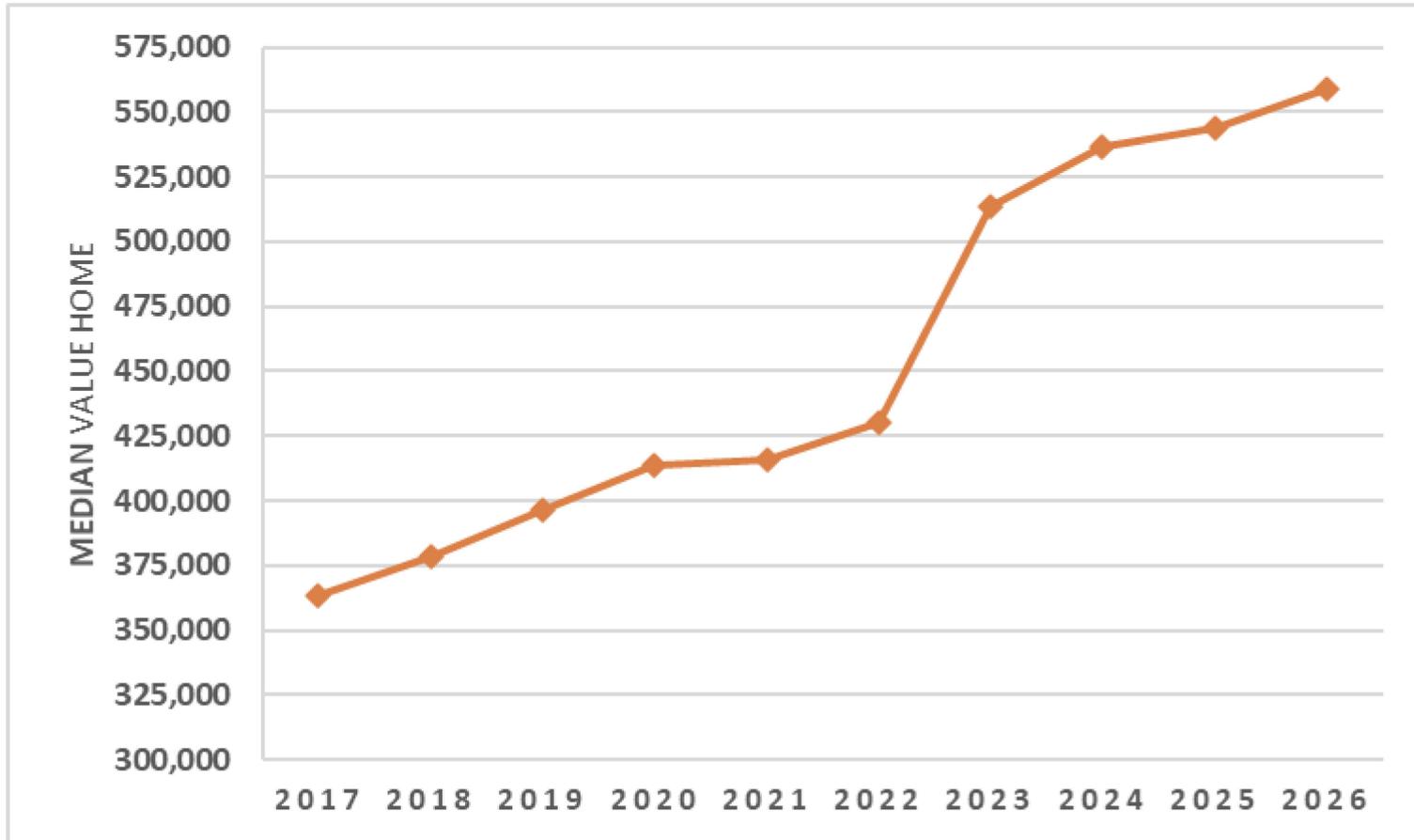
2025 TAX RATE COMPARISONS



MARKET VALUE



CHANGE IN MEDIAN VALUE HOME



Memo

DATE: February 12, 2025
TO: Rick Getschow, City Manager
FROM: Jon Thompson, City Assessor



Valuation Notice for the 2025 Assessment

The 2025 assessment has been finalized throughout Hennepin County. The process of mailing individual valuation notices to approximately 22,100 property owners will begin on March 6, 2025. These values were estimated as of January 2, 2025, and will be used in calculating property taxes payable in 2026.

The notice informs property owners of their classification, estimated market value (EMV), homestead market value exclusion, taxable market value, and new improvement value. It also informs them of appeal options, including dates and times of the Local and County Board of Appeal and Equalization meetings.

Hennepin County will mail the 2025 property tax statements in March, these individual tax amounts were calculated using 2024 assessed values.

The total 2025 EMV for taxable properties in the City of Eden Prairie is approximately \$14.72 billion. This includes new construction values of \$97 million, and represents a 1.1% increase compared with the 2024 total EMV of \$14.55 billion.

Taxable state-assessed utility and railroad property values for 2025 are not currently available. An approximate market value attributable to this segment of \$22.3 million was included in the total assessed value estimate.

The 2025 assessment is subject to adjustment by the process of informal review, Local and County Board of Appeal and Equalization, and Minnesota Tax Court.

2025 Residential EMV: \$10.7 billion

Annual change to existing residential properties compared with 2024 assessed values, excluding new construction of \$19.5 million, is shown below:

- Single Family Detached: **+3.0%** Median EMV: \$558,800 **(+2.8%)**
- Townhomes: **+2.0%**
- Condominiums: **+0.9%**

2025 Commercial and Industrial EMV: \$2.46 billion

Annual change to existing commercial and industrial properties compared with 2024 assessed values, excluding new construction of \$19.5 million, is shown below:

- Commercial: **-5.7%**
- Industrial: **-0.2%**
- Commercial & Industrial: **-3.3%**

2025 Multi-Family EMV: \$1.38 billion

Annual change to existing multi-family properties compared with 2024 assessed values, excluding new construction of \$56.5 million, is shown below:

- Multi-Family: **-4.2%**



Iranian officials on Friday in Geneva in an effort to de-escalate the conflict. Israeli and U.S. officials were not expected to take part, leaving the Europeans

SEE IRAN ON A4 »

Twin Cities tax burden is shifting to residents

Declining commercial values, higher home values fracture tax base.

those large commercial property owners previously bore.

While there is not a one-to-one relationship between the assessment of a property's value and the eventual taxes on it, assessed value is one of many variables that determine a tax bill. The Minnesota Star Tribune analyzed annual assessment data from the city of Minneapolis and Ramsey County to understand how values in certain sectors – such as commercial vs. residential – and neighborhoods have changed, in turn increasing or reducing their shares of the tax base.

By KATIE GALIOTO and JEFF HARGARTEN
The Minnesota Star Tribune

Talk about property taxes – go-to fodder for over-the-fence chats between Minnesota neighbors – has taken on a sharper edge in recent years as homeowners in the state's two largest cities contend with rising costs.

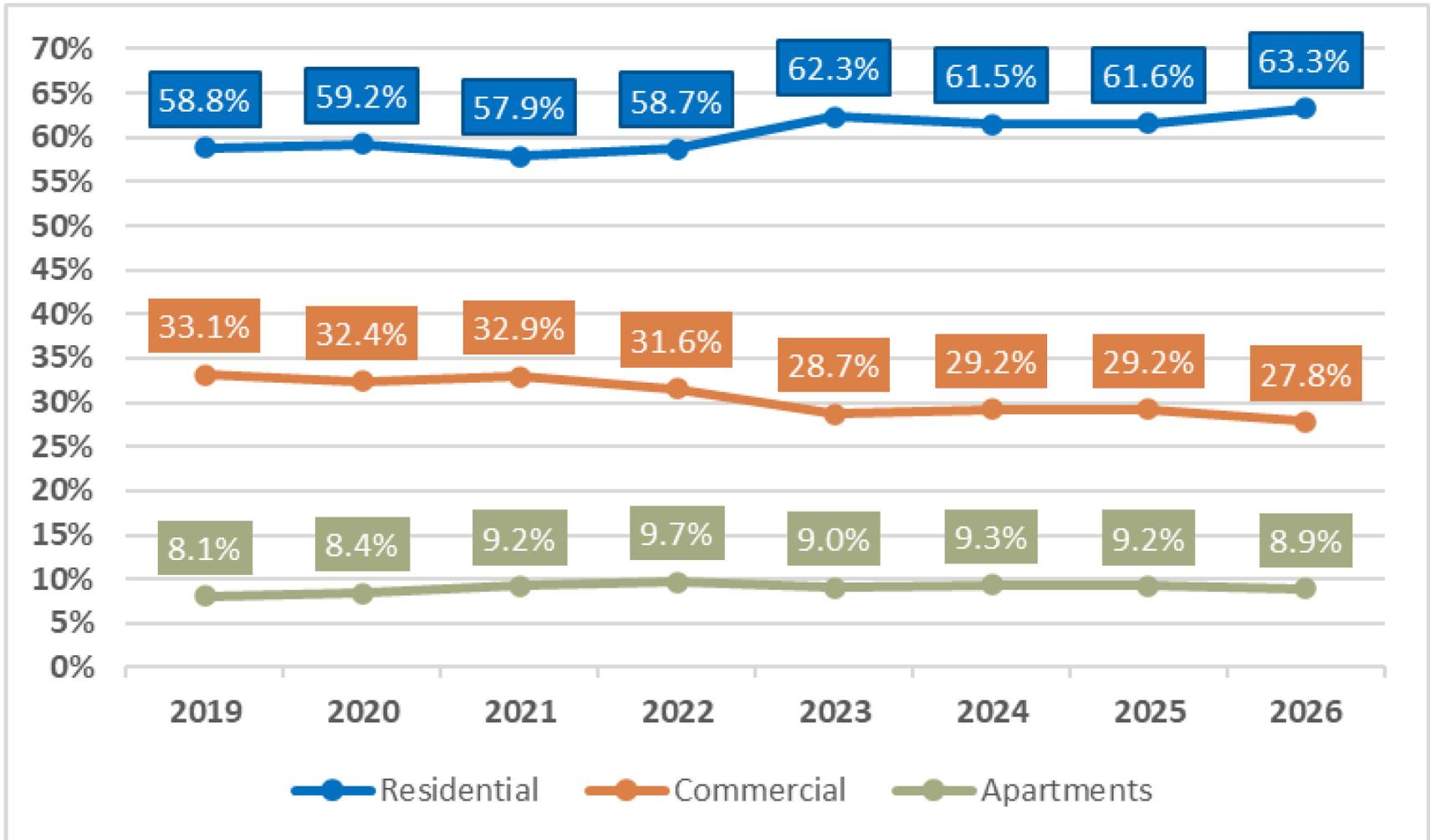
Local and state budgeting decisions draw plenty of blame for high taxes in Minneapolis and St. Paul. But residents and business owners are also increasingly pointing fingers at the post-pandemic decline of downtown office values. Many worry homeowners will have to shoulder more of the tax burden

Since the pandemic, declining commercial values have shifted more of the overall tax responsibility onto residential properties. The shift has been slow, but there's a clear change in the tax base since the 2010s

SEE TAXES ON A10 »



TAX CAPACITY BY PROPERTY CLASS



PROPOSED PROPERTY TAX IMPACTS

Property Type	2024/2025	2025/2026	Difference	Percent Change
Residential (\$558,800)	\$ 1,723	\$ 1,865	\$ 142	8.24%
Apartment (\$18M)	\$ 72,795	\$ 73,203	\$ 408	0.56%
Commercial (\$3.8M)	\$ 15,205	\$ 14,662	\$ (543)	(3.57%)



BUDGET PROCESS UPCOMING

- Early November- 2026 Property Tax Notices are Mailed to Residents
- November 18 - Further Budget Discussion and Review including Enterprise and Utility Operations
- December 2 - Public Meeting and adoption of final 2026 budget and tax levy

