

City of Mendota Heights Budget Brief



CITY OF
MENDOTA HEIGHTS

City Budget

The city budget is set each year. Staff and City Council review costs and revenues to assess how much property owners need to pay in taxes in order to run the city.

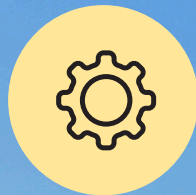
The annual budget consists of diverse revenue sources, including taxes, fees, and grants from the federal and state government.

$$\text{COSTS} - \text{REVENUE} = \text{TAXES}$$

The City Council has four priorities guiding the budget making process:



**Economic
vitality and
community
vibrancy**



**Premiere public
services and
infrastructure**



**Environmental
sustainability
and stewardship**



**Inclusive and
responsive
government**



Where does the money go?

Do you ever wonder how much it actually costs for specific city services? The General Fund pays for public safety, administration, public works, and other departments that keep the City running. Check out the sample tax receipt that shows the cost for city services on a \$500k property.

48% Public Safety

22% Public Works

14% Administration and Elections

11% Parks and Recreation

5% Other

City tax receipt

on a \$500,000 house in 2025

Police.....	\$806.82
Fire.....	\$115.32
Streets.....	\$195.99
Engineering.....	\$102.18
Code Enforcement.....	\$50.44
Natural Resources.....	\$70.01
Administration.....	\$255.84
Elections.....	\$9.40
Parks.....	\$194.10
Recreation.....	\$17.69
Community Development.....	\$29.07
IT.....	\$56.31
Recycling.....	\$7.99
City Council.....	\$8.84

TOTAL.....\$1,920.00



Where does the money come from?

81% Property Taxes

6% Charges for Services

4% Intergovernmental
Funds from the state and federal governments

4% Licenses & Permits

3% Utility Franchise Fees
Charge to gas and electric customers

2% Other
Cell tower revenue, donations, and interest on investments.

What about sewer fees?

The City's sanitary and storm sewer funds are separate from the general fund. These funds are self-sustaining, meaning they pay for themselves. Fee levels are set to cover the cost of running the systems.



Capital Projects

Funded with revenue from the general fund, bonds, and other sources, capital projects advance progress on City Council priorities. Some examples from 2025 include:



\$60,000 Oheyawahe Interpretive Plan



\$7,967,000 Friendly Hills Neighborhood Street Rehabilitation



\$90,000 Lift Station Panel and Pump Replacement



\$48,000 LED Street Light Upgrades

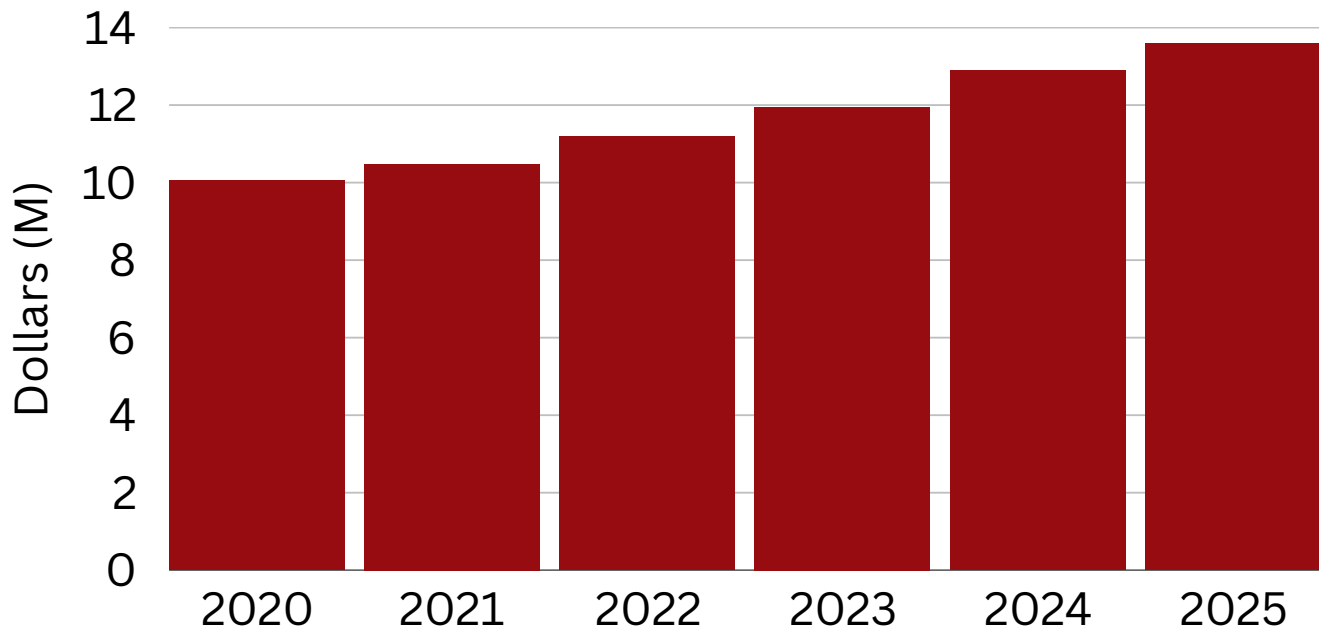
The City enjoys lower borrowing costs and competitive advantages because it maintains an AAA bond rating from S&P's Financial Services, the highest a city can achieve. This signifies the City has a high credit quality and low default risk.



City Taxes

The total amount of money the City collects in property taxes is divided among all property owners based on the assessed value of their property. The total amount of city property taxes increased an average of 6.3% each year from 2020-2025.

City Expenses Paid by Taxes



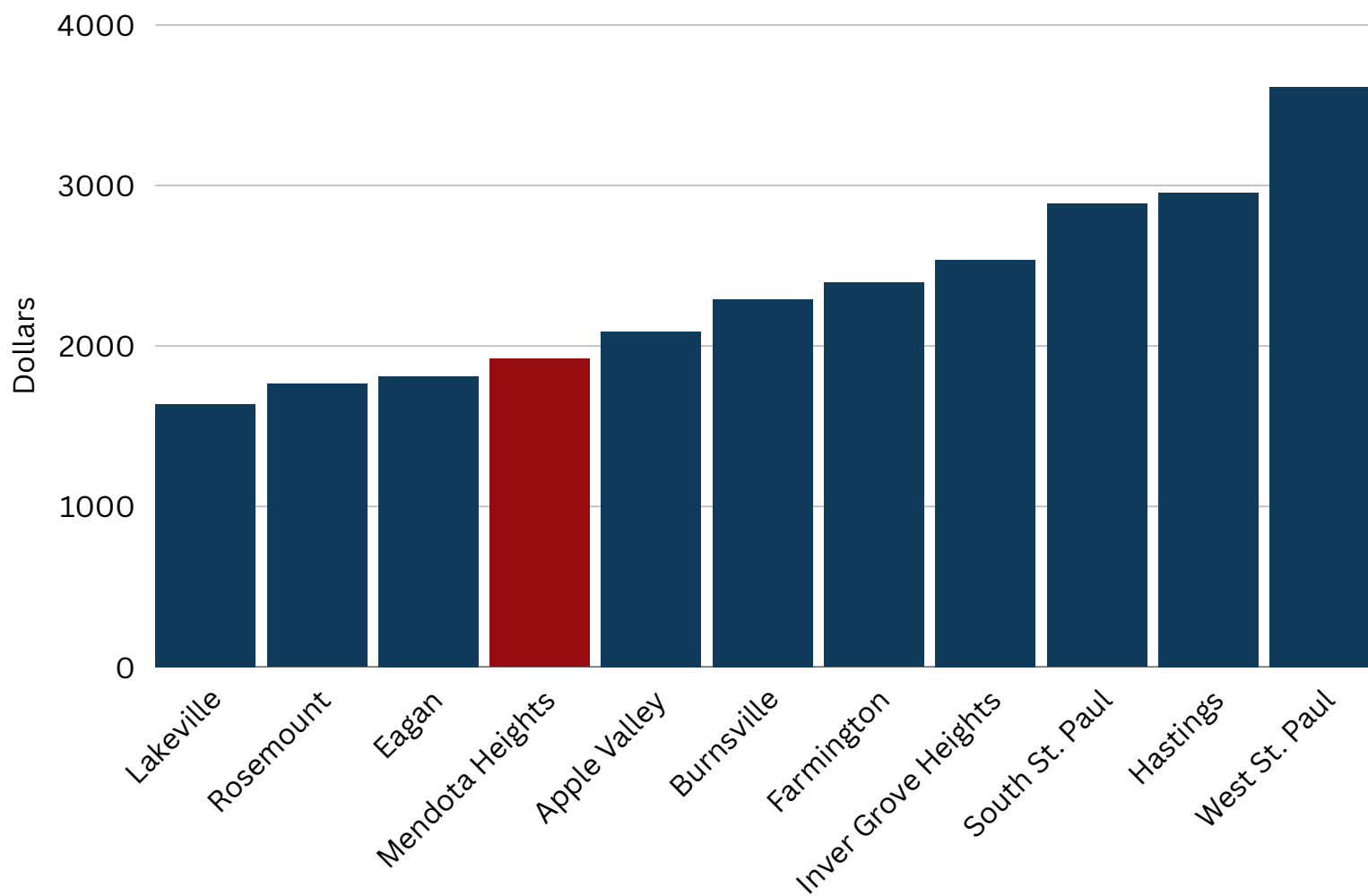
If the City collects 6.3% more in property taxes compared to the previous year, your tax bill will not necessarily increase by 6.3%. As different properties change in value, or new properties are built in the City, the amount each property owner pays will also change.



City Tax Comparison

When compared to other cities in Dakota County, Mendota Heights provides high-level services for community members with a competitive cost per taxpayer.

2025 city property taxes in Dakota County
On a \$500,000 house in cities with a population greater than 5,000



Where else do property taxes go?

Each tax dollar charged to a taxpayer gets split up and distributed across different tax districts - including the City. In Mendota Heights, approximately 47¢ of each tax dollar in 2025 goes to the City. The rest goes to Dakota County, the local school district and other special taxing districts.



City (47¢)

- Public safety
- Street maintenance
- Code enforcement
- Elections
- Parks & recreation

SD 197 (24¢)

- Teacher salaries
- Textbooks
- Facilities maintenance

Dakota County (25¢)

- Licenses and permits
- Courts and jails
- Public health
- County roads

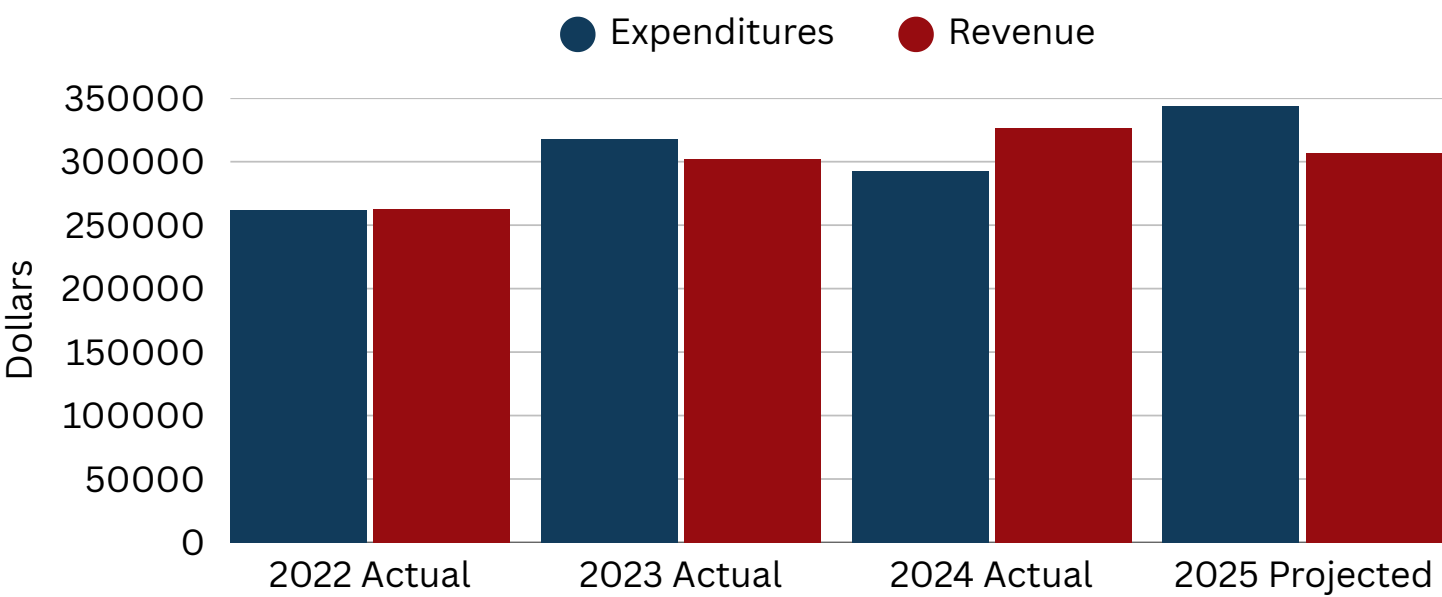
Special Taxing Districts (4¢)

- Metropolitan Council
- Metropolitan Transit
- Mosquito Control District

Par 3 Community Golf Course

The Par 3 Community Golf Course is a valuable community asset. The City funds the golf course with user fees, with all golf course revenue going back into funding the operation.

Par 3 Expenditures and Revenues



The City strives for responsible budgeting in all areas. New costs this year include the addition of a dedicated recreation facilities coordinator to run the city golf course. Revenues from the course are conservatively projected until the impact of new programs like online tee-time reservations can be calculated. This is why expenditures are projected to be higher than revenue.



What's going on with the Police Department and City Hall?

The City Council has prioritized maintaining existing city facilities, including the police department and City Hall. They are currently working with a consultant to plan for addressing existing health and safety concerns as well as critical infrastructure deficiencies.

Options they are considering include renovating existing facilities or potential new construction. The Council is working to ensure that the city's municipal campus, which includes both the police department and City Hall, is able to deliver efficient, effective, and safe public services.

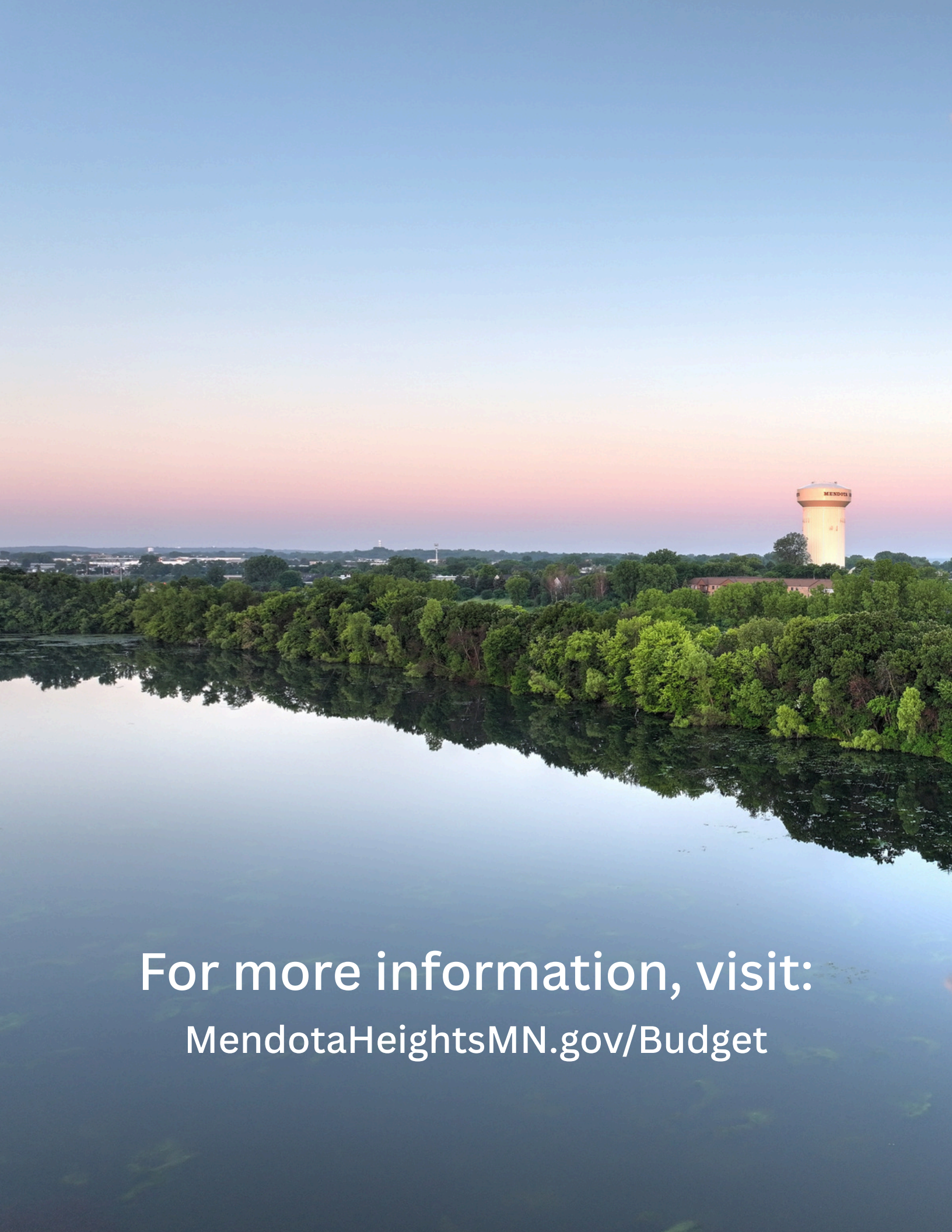


How does funding at other levels of government affect the City of Mendota Heights?

The City does not rely on funding from the federal, state and county for operating expenses. However, staff do apply for state and federal funding for projects. If those funding opportunities dry up, the City will be responsible for more of the bill for new projects.

City Council and staff recognize residents also feel the impacts of other jurisdictional tax impacts. So as other levels of government are also addressing budget difficulties, the City is working to be as fiscally responsible as possible to lessen the overall impact of taxes on residents.





For more information, visit:
MendotaHeightsMN.gov/Budget